

**Create
Conserve
Enhance
Repeat**

Our sustainability journey has inspired us for bringing elements of Circular economy in our operations. Our value chain starts from mining, refining and smelting to semi-fabricated products. During this, we rely on natural resources and understand the impacts of our operations on the environment. With a view to reducing impacts of our mining operations, we embrace the concept of circular economy in our sustainability journey. Our sustainability ethos and efforts are based on three key aspects: stakeholder value, responsible stewardship and future-proofing. During FY 2017-18, we continued our focus on reducing material consumption, reducing emissions, creating value from waste and enhancing value for society. Accordingly, the sustainability report of FY 2017-18 is based on the theme “Create-Conserve-Enhance-Repeat”.



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“People understand an organization through its values, by experiencing the culture that values create and by using the systems and processes that the values define.”

Kumar Mangalam Birla, Chairman



About the Report

This is the Eighth Sustainability Report of Hindalco Industries Limited covering the reporting period from 1st April, 2017 to 31st March, 2018. The report has been prepared in accordance with the GRI Standards: Comprehensive option. The report content and quality are aligned with the Reporting Principles as defined in GRI Standards.

We believe that our efforts in Creating value, Conserving Resources, Enhancing Capabilities and Repeating this process relentlessly enhances our performance and increases our positive impact.

The report covers our all India operations for Aluminium and Copper excluding the non-operational unit at Kollur. Our wholly-owned subsidiary, Novelis, publishes its own sustainability report with material topics specific to its operations and has hence been omitted from the boundary of this report. We have also excluded Aditya Birla Minerals Limited (ABML), a subsidiary of Hindalco operating in Australia, from the scope of the report.

The report covers information that could impact Hindalco's performance due to economic conditions, changes or new regulations, laws or other related statutory and incidental factors.

In line with our governance policies and internal control mechanism, this report has been independently assured by DNV GL Business Assurance India Private Limited, as per AA 1000 Assurance Standard (AA1000AS) 2008. The Assurance Statement is provided as part of this report.

We hope that this report will provide a snapshot of our approach to sustainability, the progress we are making and the roadmap for the future. We would welcome any feedback from readers on the contents and approach of this report at hindalco.sustainability@adityabirla.com

Our sustainability report is published annually. The previous sustainability report was published during May-2018. All the sustainability reports are available online on our website <http://www.hindalco.com/sustainability/sustainability-reports>.



Message from the Managing Director



I am pleased to announce the publication of our annual Sustainability Report for FY 2017-18. The global economy is moving steadily towards a circular economy - Industries are developing systems which are regenerative and optimize resource consumption.

While circular economy is a concept more relevant from natural resource conservation perspective, we believe that it can be extended to further create value in all other forms of capital, including human and social capital. This report presents our unique approach towards value creation which forms the cornerstone of our sustainability agenda. "Create – Conserve – Enhance – Repeat" reflects our commitment to work in a manner which is resource intelligent and focuses on value addition at each step of the process. Whether it be the production process or our people management practices, our management approach involves deriving value from as well as enriching our resource base. Our sustainability framework, which is based on the pillars of stakeholder value creation, responsible stewardship and future proofing, further provides strength to this philosophy.

We acknowledge our responsibility of maintaining business operations which are not only resource efficient but also environmentally and socially conscious. We are integrating resource efficient practices as a part of our business operations across Aluminium manufacturing, Copper manufacturing and Mining operations.

This is the eighth consecutive year that we are publishing our Sustainability Report. In the last few years of reporting our sustainability performance, we have been continuously improving our measurement and monitoring processes and enhancing levels of disclosures. This year's report is developed in accordance with GRI Standards, highlighting our sustainability performance in all aspects of the triple bottom line.

We take pride in being the largest Aluminium Rolling Company globally and a leading producer of Primary Aluminium in Asia. Our Copper Business is growing its value-added products line. We operate one of the world's largest single location custom copper smelters. Our brands such as Hindalco Everlast, Freshwrap and Eternia are customer centric and have gained wide popularity.

During the reporting period, aluminium and alumina (hydrate) production stood at 1.29 million tonne and 2.88 million tonne respectively. Copper Cathode production was 0.41 million tonne. We also produced 0.48 million tonne of aluminium value added products. Our revenue from India operations stood at INR 43,451 crore for FY 2017-18.

Our strong commitment towards product development has been illustrated through several pioneering applications in the Indian context. Some notable initiatives taken in FY 2017-18 include the successful commissioning of the new Continuous Cast Rod Plant (CCR-3) in the Copper facility at Dahej. The work on Utkal Alumina's brownfield capacity expansion by 500 KTPA commenced during the year and is expected to be completed in 30 months' time, with a capital outlay of around INR 1,300 crore.

We are part of the Aditya Birla Group (ABG), recognized as one of the preferred employers in India. We design growth trajectories of our employees through talent management, employee engagement, performance management, rewards and recognition etc.

Our community development strategy focuses on building a better, sustainable way of life, by maximizing our outreach to the vulnerable and weaker sections of the society. Our total spend on community development during the reporting period was INR 31.09 crore. This contribution is in addition to our

indirect economic impacts, which include the multiplier effect of our operations across the value chain. We have committed ourselves to realize the Water, Sanitation and Hygiene pledge (WASH) pledge of the World Business Council for Sustainable Development (WBCSD) by providing safe drinking water, sanitation and hygiene in all our operations.

Being an energy intensive Company, we have put in significant efforts in energy conservation. We further intend to increase the share of renewable energy in our overall energy consumption portfolio. As part of our efforts towards water conservation, we have already achieved our target of 40% reduction in total water consumption from the base line of FY 2011-12. We are also working towards becoming a Zero Liquid Discharge (ZLD) Company. Ten of our operational sites have already achieved the ZLD status and others are in the process. We have reduced our specific water consumption by about 44% in aluminium operations and by about 37% in copper operations compared to FY 2011-12 levels. We have been successful in bringing down our overall specific GHG emissions significantly and aim for a reduction of 35% by 2030 from the 2005-06 base value.

We intend to further strengthen our sustainability initiatives. In order to ensure continuous improvement, the ABG Sustainability Cell has developed a set of Technical Standards, which is in the advanced stages of implementation across our operations. We have also developed a framework to calculate a Composite Sustainability Score for each of our operational locations. We are committed to aligning ourselves with the UN Sustainability Goals (SDGs) and consequently meaningful long-term positive impacts. We have also partnered with Xynteo, an international organization, to work on Sustainable Mining track.

This report is an effort to showcase our journey towards sustainable business operations. We welcome you to peruse this report and send your valuable feedback.

Satish Pai
Managing Director

¹ Revenue from India operations includes revenues from Hindalco standalone and Utkal

About Hindalco



Continuing with responsible business practices, we have come a long way in our sustainability journey. Our strong governance practices have been the basis of our robust sustainability framework. We understand the need for adoption of circular economy principles and accordingly have taken initiatives to improve longevity of our products as well as increased recycled inputs in operations.

Our values and strong support from leadership have helped us overcome the challenges faced during the sustainability journey. Overcoming challenges, we are continuing to grow in a sustainable manner. During the reporting period, we have added continuous copper rod (CCR-3) capacity at Dahej to cater increasing demand in domestic market. This will help the domestic industry to reduce dependence on copper imports, thus contributing to the local economy.

We contribute to the circular economy through development of products that have longer life, light weight, and high salvage value. Oxy free copper is one of the example of our efforts in product development space. Our R&D initiatives have helped us to recover copper for effluents. We are also working on reducing copper loss in the slag generated. These initiatives help us improve efficiency and contribute to the circular economy by reducing requirement of virgin raw materials.

Through our transparent and ethical business practices, we have established trustworthy relationships with our stakeholders. We ensure that concerns of our customers are addressed in best possible manner. We also ensure that our supply chain partners are adhering to fair business practices and encourage them to follow sustainability best practices. We support the community surrounding our operational areas through community engagement programs designed to meet their developmental needs. Our employees form strong foundation for our growth. We ensure that they are provided with the best possible work environment and we ensure that highest standards of health & safety are followed in our operations.

Sustainability is at the core of our business strategy and we are committed to do our bit in meeting SDGs while contributing to circular economy.

Jagdish Chandra Laddha
Group Executive President,
Head-Copper Business & Working Chairman of Sustainability Committee



A leader in Aluminum and Copper

Hindalco Industries Limited, a non-ferrous metal flagship company of the Aditya Birla Group, is world's largest aluminium rolling company and one of Asia's biggest producers of primary aluminium. We are headquartered in Mumbai, India with operations spanning across the country. Our aluminium plants in India cover the entire spectrum of operations ranging from bauxite mining, alumina refining, coal mining, captive power plants and aluminium smelting to downstream rolling, extrusions and foils. Our state-of-the-art copper facility comprises a copper smelter, fertilizer plant and a captive jetty. The copper smelter is among the world's largest custom smelters at a single location.

In India, our aluminium operations include bauxite mining, alumina refining, coal mining, captive power plants, aluminium smelting, downstream rolling, extrusions and foils. The Birla Copper unit produces copper cathodes and continuous cast copper rods, along with other by-products, including gold, silver, and Diammonium Phosphate (DAP) fertilizers.

We are a publicly traded company listed on the Bombay Stock Exchange, the National Stock Exchange of India Limited and the Luxembourg Stock Exchange. We have been accorded the "Star Trading House" status in India. Apart from being a dominant player in the domestic market, our products are well-received in the international markets. Aluminium is accepted for delivery under the High-Grade Aluminium Contract on the London Metal Exchange (LME), while copper is also registered on the LME with Grade "A" accreditation.

Our popular brands such as Eternia Windows, Maxloader and Hindalco Extrusions, Everlast Roofings under the flat rolled products segment, Freshwrapp and Superwrap under the aluminium foil products segment, as well as Birla Copper and Birla Balwan under the copper mainstream products and co-products segment have garnered strong customer acceptance. Further details of our products and services are available on our website: <http://www.hindalco.com/>.

We participate in public policy advocacy through industry and trade associations. All our manufacturing units are ISO 9001, 14001 and OHSAS 18001 certified. Our copper smelter at Dahej is ISO 50001 certified. Hindalco, in keeping with the requirement of the listing agreements with Stock Exchanges in India, subscribes to the National Voluntary Guidelines on Social, Environmental and Economic (NVGSEE). Accordingly, we publish a Business Responsibility Report (BRR) as part of the annual report. Additionally, it also aligns its activities to the United Nations (UN) Sustainable Development Goals (SDGs).

The core values on which Hindalco is built have guided us in our sustainability journey. Our commitment to sustainable development rests on the foundation that aims to deliver long-term holistic value. Our Management Framework is

underpinned by the ABG values of integrity, commitment, passion, seamlessness and speed.

Key Industry and Trade Associations

- Aluminium Association of India
- Automotive Research Association of India
- Indian Electrical and Electronics Manufacturers Association
- India 2020 Coalition – driven by Xynteo
- Primary Copper Producers Association
- International Copper Association of India
- Indian Copper Development Centre
- Winding Wire Association



HINDALCO'S Operations in India

Bauxite mines:

Lohardaga, Samri, Maliparbat, Baphlimali, West Coast Mines

Coal Mines:

Gare Palma, Kathautia, Dumri,

Integrated Aluminium Complex:

Renukoot

Alumina Refinery:

Muri, Utkal Alumina

Alumina Refinery & Innovation Centre:

Belagavai

Aluminium Smelter & Power Plant:

Mahan Aluminium, Aditya Aluminium, Hirakud

Power Plant:

Renusagar

Aluminium Flat Rolled Products:

Hirakud, Taloja, Belur, Mouda

Aluminium Foil Products:

Mouda

Aluminium Extrusions:

Alupuram

Innovation Centre:

Taloja

Integrated Copper Complex:

Dahej



Aluminium

Globally, we are among the top five aluminium producers based on shipments. Our diverse aluminium downstream offerings such as extrusions, flat-rolled products, foils, wire rods and billets find applications in various industries ranging from automobiles to packaging and pharmaceuticals. We cater to a range of industrial and commercial requirements such as automotive and transport, building and construction, defense, electrical and electronic devices, industrial applications, pharmaceuticals and packaging and white goods.

Our captive bauxite mines in Jharkhand, Chhattisgarh, Maharashtra and Orissa, provide the raw material to our alumina refineries located at Belagavi, Muri and Renukoot having installed capacities of 350 KTPA, 450 KTPA and 700 KTPA, respectively.

Output Capability

Alumina: 3 million TPA

Aluminium: 1.3 million TPA

Power Generation: 3,069 MW

Flat Rolled Products: 0.38 Million TPA

Extruded Products: 44,000 TPA

Foil: 18,000 TPA

At Hindalco, we are committed to carry out operations in a sustainable manner. Our operations at Renukoot Cluster Plants are carried out ensuring environmental and social sustainability. This is achieved through continuous improvement in the operational efficiency and through continuous support to local community. During the reporting period, our quality team circles won seven awards demonstrating operational excellence. We are also taking steps to improve operational efficiency through adoption of advanced technology. We are in process of upgrading one of the Anode Baking Furnaces through technology transfer from Riedhammer, Germany. As a result of our efforts towards community stewardship, the Renukoot facility received CMIO Asia 7th best International CSR practices award for "Poverty Alleviation".

Satish Jajoo

Chief Operating Officer & Cluster Head (Renukoot, Renusagar and Mahan Units)



Chemicals

We manufacture calcined alumina that finds applications in a wide variety of industries. The products manufactured find a range of applications such as ceramics, high-grade refractories, polishing, fire-retardant plastics, alum, zeolite and many more. Today, our customized products serve 37 countries across the world.

At Hindalco, we have strong focus on our growth strategy while ensuring sustainable business operations. As part of our growth story of copper business, we commissioned continuous copper cast rod plant at Dahej. This will help us serve our customers in holistic manner. Maintaining our focus on customer centricity, we have introduced Oxy Free Copper (OFC) to cater to the customer requirements. We have demonstrated our commitment to operate in sustainable manner by developing an innovative process for copper recovery from effluent generated at our plant in Dahej. This is also an effort towards adopting circular economy approach by reclaiming metals from effluent generated.

P. Anil Kumar
Chief Marketing Officer (Copper)

Copper

Our copper division operates one of the largest single location custom copper smelter in the world. We manufacture products such as copper cathodes and continuous cast copper rods in various sizes. Sulphuric acid, a by-product, is used to produce phosphoric acid and value-added fertilisers such as Di-Ammonium Phosphate (DAP) and is also partly sold as a finished good. Our products cater to various markets and commercial requirements such as automotive and transport, consumer durables, railways, wire and cable industry, and agrochemicals.

Production Capability

Copper Refining: 500 KTPA

Continuous Cast Copper Rods: 360 KTPA

Sulphuric Acid: 1,670 KTPA

DAP & Complexes: 400 KTPA



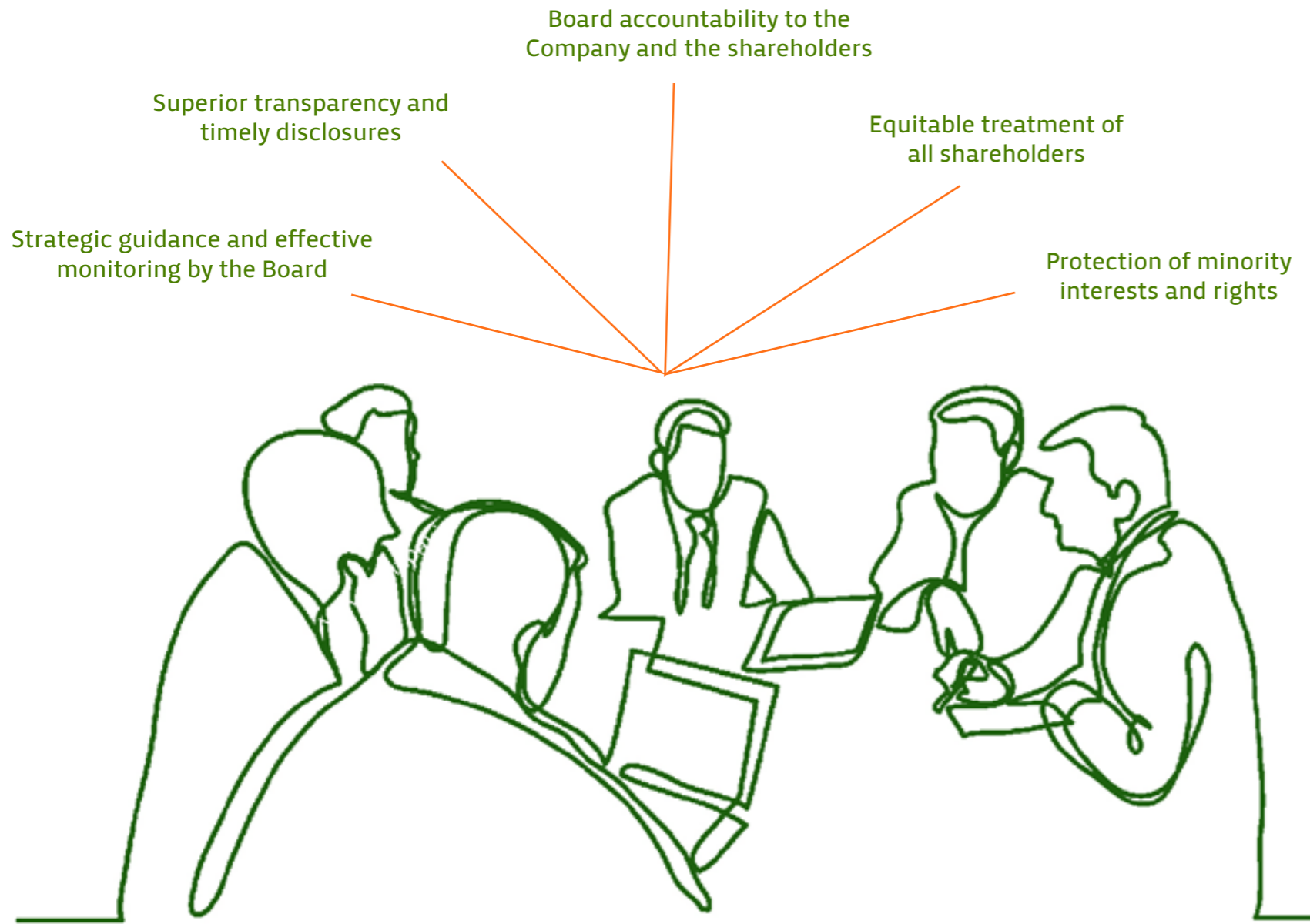
Corporate Governance

As a part of the metals and mining sector, we are heavily dependent on various natural resources. We acknowledge the impact of climate change related risks on our operations. Along with various other business risks, we are focusing on developing a robust framework to reduce the impacts of climate change on our operations and also taking up initiatives to reduce environmental impacts of our operations.

Anil Mathew
Chief Risk Officer

We visualize ourselves as a corporate that is resilient to external changes. We strive to evolve continuously and our vision guides us in developing opportunities for a sustainable future. Our robust governance structure helps us to carry out our business in line with our strategic objectives.

ABG is a leader in incorporating the best governance practices over the years. The corporate culture followed reflects a well thought out transparency towards all stakeholders as well as fair decision-making right across the value chain. At Hindalco, we have inherited the Group's value system in the form of our Governance Philosophy.



Governance Philosophy

Our value system is the backbone of our business strategy, and is defined by integrity, commitment, passion, seamlessness, and speed. It helps us work towards our mission of creating superior stakeholder value by exceeding customer expectations and unleashing employee potential, while being a responsible corporate citizen and adhering to our values.

Integrity

Fair and honest action and decision making

Following the highest standards of professionalism and being recognised for doing so

Commitment

On the foundation, doing all that is needed to deliver value to stakeholders

Passion

An energetic, intuitive zeal that arises from emotional engagement with the organisation that makes work joyful and inspires each one to give his or her best

Seamlessness

Thinking and working together across functional groups, hierarchies, businesses and geographies

Speed

Responding to internal and external customers with a sense of urgency

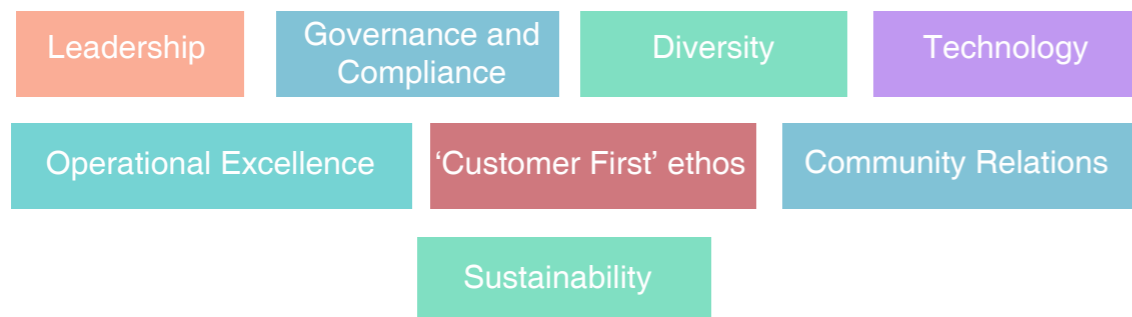
Figure 2: ABG Values

The corporate structure and compliance framework interlink at three levels and cascade to all employees.



Our Principles

We govern ourselves by a set of principles we believe will translate into continuous improvement in our performance.



Our Institutionalised Review Framework

Our review framework, 3C+2S, comprises three pillars – customers, cost and cash – across which the principles of safety and sustainability are embedded.



Board of Directors

Our Board of Directors constitutes 9 Non-Executive Directors as on 31st March 2018, of which 6 are independent directors. These professionals are experienced in areas of economic, social and environmental expertise and hence maximize our potential as an organization. The annual performance evaluation of the Board, Independent Directors, Non-Executive Directors, Executive Directors, Committees and Chairman of the Board is carried by the Directors as per the Companies Act, 2013 and Listing Regulations. Details and outcomes of the performance evaluations have been mentioned in our Annual Report for FY 2017-18. The appointment and remuneration of Directors and key managerial personnel is carried out as per our Remuneration Policy formulated by the Nomination and Remuneration Committee.

Name of Director	Nature	Category
Kumar Mangalam Birla	Non-Executive	Chairman Non-Independent Director
Rajashree Birla	Non-Executive	Non-Independent Director
A. K. Agarwala	Non-Executive	Non-Independent Director
D. Bhattacharya	Non-Executive	Non-Independent Director
M. M Bhagat	Non-Executive	Independent Director
K.N Bhandari	Non-Executive	Independent Director
Jagdish Khattar ²	Non-Executive	Independent Director
Ram Charan	Non-Executive	Independent Director
Y.P Dandiwala	Non-Executive	Independent Director
Girish Dave	Non-Executive	Independent Director
Satish Pai	Executive	Managing Director
Praveen Kumar Maheshwari	Executive	Chief Financial Officer & Whole-time Director
Alka Bharucha ³	Non-Executive	Independent Director

² Jagdish Khattar has resigned from the Board w.e.f. 04-May-2018,

³ Alka Bharucha has been appointed as an Independent Director to the Board w.e.f. 11-Jul-2018.

Governance Framework



Being one of the large industries with heavy operations, we understand our responsibility towards the circular economy. Our operations have adopted various technical standards to ensure that we operate in responsible and resource efficient manner. Our robust governance framework helps us to track progress of our initiatives and provide timely feedback for continuous improvement

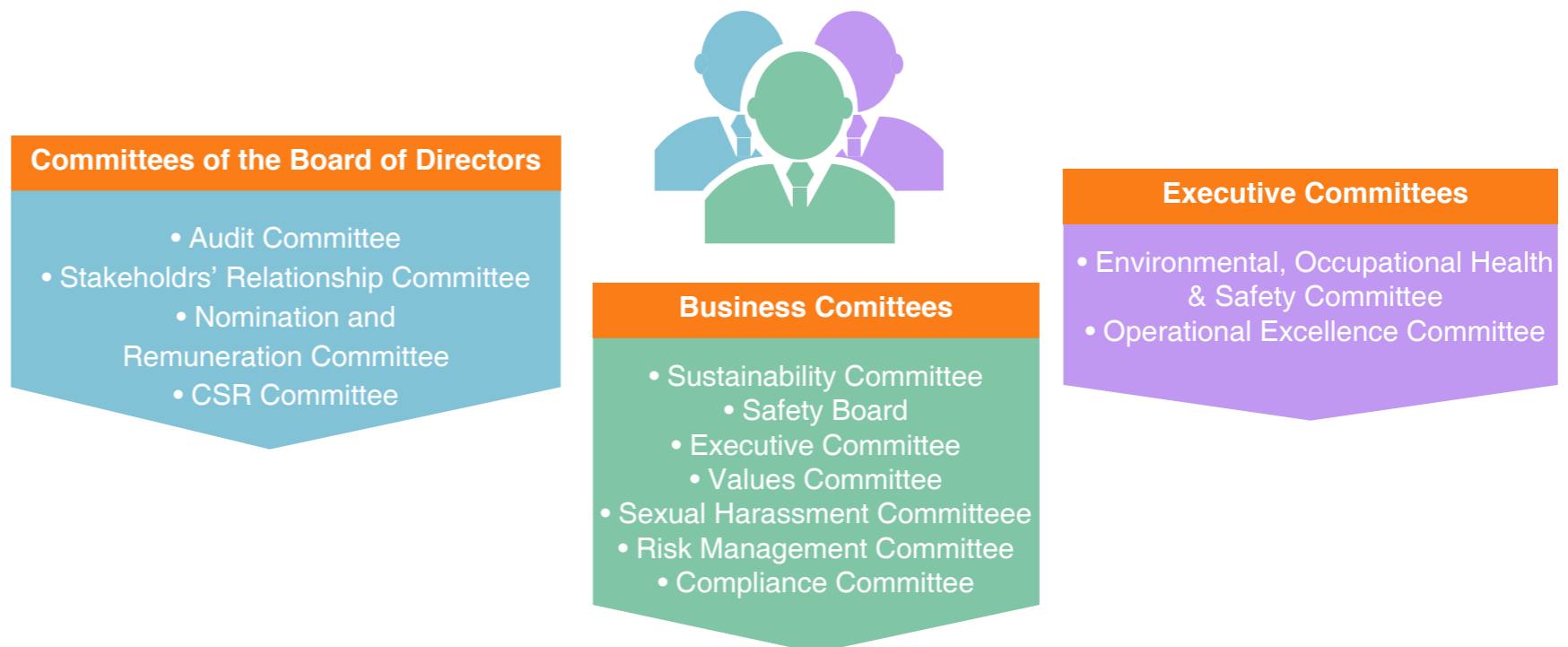
Anil Malik
Company Secretary
& Compliance Officer

Committees of the Board of Directors

There are three types of committees depending upon their level in the organization and nature of responsibility. The Sustainability Committee regularly reviews the organization’s economic, social and environmental performance. It also reviews the organization’s sustainability-related reports including the BRR. The BRR is further reviewed by the Board before the final approval.

Our senior management and the Board are apprised frequently of economic, social and environmental topics through various presentations and through discussions with the ABG Sustainability Cell.

The critical concerns including those related to regulatory requirements and other important aspects as identified by respective committees are communicated accordingly through our Governance Framework.



Conflict of Interest

Adherence to the corporate governance code and subscription to its provisions to avoid conflict of interest is compulsory for internal stakeholders. We maintain registers to note interests of all Directors on aspects such as directorship held in other companies, membership in committees, contracts proposed which may be of interest etc.

Furthermore, the management is also required to confirm that they have not entered into any material transaction that could have potential conflict with the interest of the company, on an annual basis. Such reports are placed before the Board.

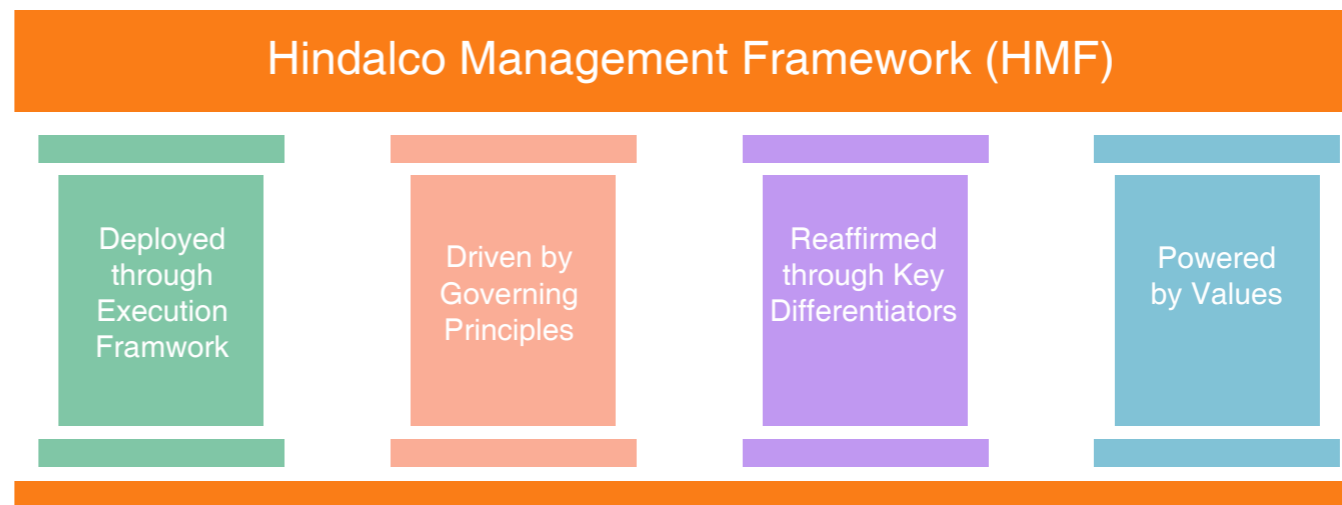
The ABG Code of Conduct (CoC) serves as a guideline for dealing with listed securities of Group companies. The code prohibits the purchase and sale of listed securities during the restricted period. Conflicts of interests are intimated to relevant stakeholders as per the procedures defined in the ABG CoC.

Management Systems

At Hindalco, we have developed a management framework that is based on four pillars.

The HMF is supported by our values and steered by our CoC, Principles and Guiding policies. Furthermore, it is driven by

a framework that consists of essential functions and control. It encompasses all aspects of our output and performance thus assuring total compliance and continuous improvement.



Code of Conduct

The CoC, as adopted by the Board of Directors, is applicable to all Directors, Senior Management and employees. It is available on our website: [http:// www.hindalco.com/investorcentre/code-of-conduct](http://www.hindalco.com/investorcentre/code-of-conduct).

The CoC is relevant to all stakeholders and is communicated through continuous company orientations. It is a part of contractual agreements and regular policy refresher e-mails.

During the reporting period, we have not received any complaints on violation of our CoC.

We promote ethical behaviour in all our business activities and have put in place mechanisms to report unethical behaviour. We have constituted a Value Standards Committee (VSC) wherein the whistle blower may raise a concern. The concern is handled by an independent reporting mechanism through the ethics hotline and the VSC at the respective locations.

We understand our role in ensuring efficient functioning of markets. Accordingly, our CoC guides us to prevent monopolies and anti-competitive behaviours. This helps in long-term economic efficiency and sustainable growth. During the reporting period, there were no legal actions against us regarding anti-competitive behaviour and violations of anti-trust legislations.

Key Elements of our Code of Conduct

No child and No Forced Labour

No discrimination

Zero Tolerance for corruption and Bribery

No Anti-Competitive behaviour

Whistle Blower Policy

Risk Management Framework

The wide coverage of our operations necessitates a holistic approach towards risk management that encompasses areas such as mining practices, energy, disposal of industrial wastes, safety practices, socio-economic development of the surrounding communities etc. We have adopted an enterprise-wide approach to risk management. The Enterprise Risk Management (ERM) has elevated our focus from the tactical to the strategic. ERM is about designing and implementing capabilities to manage the most crucial risks. Nonetheless, deploying an ERM tool across the company has enabled us to become more forward-looking and effective at evaluating, embracing and managing the uncertainties we face.

Our ERM is oriented to support the achievement of our objectives by addressing the full spectrum of risks and managing their combined impacts as an interrelated risk portfolio. It extends the focus of risk management to cover intangible assets such as customer assets, employee assets, supplier assets, brand, differentiating strategies, innovative processes and proprietary systems.

As the business ecosystem continues to change and commodity cycles keep inducing volatilities, we have become adept at identifying, prioritizing and planning for risks. Our ERM assists the management in evaluating the assumptions underlying the existing business model, the effectiveness of the strategies around executing that model, and the information available for decision-making. It drives management to identify alternative future scenarios, evaluate the likelihood and severity of those scenarios, identify priority risks and improve capabilities in managing those risks. As the business environment changes, new risks emerge and are escalated in a timely manner for action and possible disclosure. These activities impact resource allocation for the organization as a whole.

In a year's time, the Hindalco ERM will be embedded within our governance setup. It will enable greater participation by having committees at the board and apex management levels as well as site-level risk leadership teams. Through this it will clearly assign ownership to risks, from strategic level matters

to operational issues and also institutionalize a robust review system. It will evolve into an overarching risk management framework incorporating existing frameworks around safety, quality, compliance, finance risk management etc.

The Hindalco ERM will reinforce an integrated approach in which risk management frameworks, regulatory requirements,

controls and compliance processes are all linked together in ways that allow both business managers and risk management professionals to see the world through a similar lens and context. Consequently, the entire organization can work together towards achieving its objectives and driving performance.





Sustainability Framework

By virtue of being a constituent of the Aditya Birla Group, Hindalco is uniquely positioned to drive sustainable business practices at the regional, national and global levels. Responsible Stewardship, Stakeholder Engagement and Future Proofing form the bedrock of our three-pronged sustainability framework. Our Sustainability best practices are derived from the Hindalco Management Framework, which helps us achieve excellence by adopting to industry best technical standards. We strive to contribute to a “Sustainable World” through our sustainable business practices, with a keen focus on circular economy. In order to navigate environmental, social, and economic complexities, we leverage our strong relationships and continuous engagement with our stakeholders. Our quest is to lead the transformation of our industry to work towards creating long-term success for ourselves, our value chains, and ultimately, for our planet.

Bibhu Prasad Mishra
President & Head Manufacturing Centre of Excellence

Sustainability Framework

Our commitment towards sustainability is embedded in our vision to become a leading metals company in sustainable business practices across the globe balancing economic growth with environmental and societal interests. Our sustainability framework rests on the pillars of Stakeholder Value, Responsible Stewardship and Future-Proofing.

We have undertaken various initiatives that aim to facilitate transformation into a more sustainable corporate. We are focused on energy efficiency of operations, increasing the share of renewable energy in the overall energy mix, progressive waste management techniques, sustainable mining practices, material recycling, safety practices and employee empowerment.

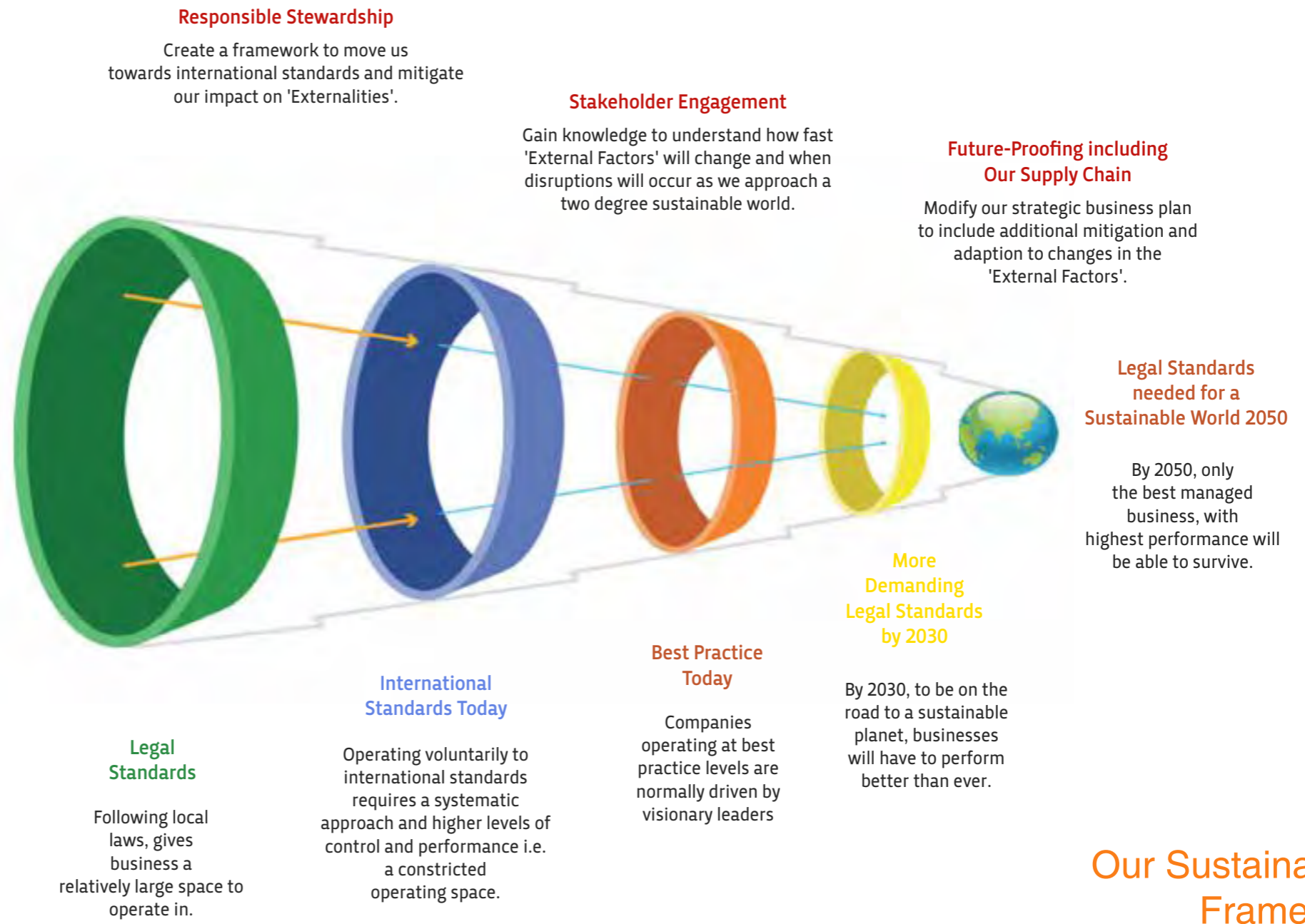
To streamline our efforts, we have instituted a range of sustainability and related policies⁴ such as:

- CSR Policy;
- Environmental Policy;
- Energy and Carbon Policy;
- Safety and Occupational Health Policy;
- Governance and Compliance Policy;
- People Policy;
- Technology Policy;
- Information Technology Policy;
- Quality Policy;
- Sustainability Policy; and
- Policy on Prevention, Prohibition, and Redressal of Sexual Harassment at the workplace.

⁴ These policies can be referred at <http://www.hindalco.com/sustainability>

These topics are classified into the three main facets of the Group sustainability framework.

Responsible Stewardship	Stakeholder Engagement	Future-proofing
We have adopted international standards and best practices in our business operations so as to mitigate impact of externalities and ensure sustainable operations.	We regularly engage with our stakeholders to understand their perceptions and gauge any changes in business scenarios.	In order to ensure that our business operations are sustainable, we adapt to changes in external factors and consider transforming processes wherever required.



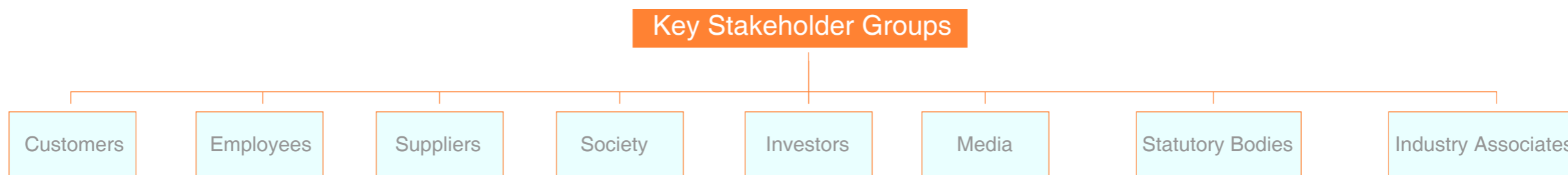
Our Sustainability Framework

Stakeholder Engagement & Materiality Assessment

We have recognized the needs and benefits of meaningful engagement with our stakeholders. Our management aims to create shared value by understanding and developing

long-lasting partnerships between our businesses and stakeholders. We have a mechanism to identify and engage with stakeholder groups that have impacts on our businesses and vice

versa. The mechanism helps us for engagement with stakeholders at regular intervals. Based on the feedback from stakeholders, action plans are prepared and implemented by the respective teams.



We conduct extensive stakeholder engagement exercises to identify concerns of stakeholders. This is carried out through carefully designed engagement platforms. The key concerns about economic, social and environmental concerns of

stakeholders are updated through monthly review meetings chaired by the MD. Relevant concerns are then presented to the Board of Directors by the MD during board meetings.

Stakeholder Group	Concerns	Engagement Platforms	Frequency of Engagement
Employees (Internal Stakeholder)	<ul style="list-style-type: none"> Fair wages and Rewards Work life Balance Training & Skill development Career Growth Occupational Health and Safety Job Security Transparent Communication 	<ul style="list-style-type: none"> Emails and Meetings Intranet Portals Employee Satisfaction Surveys Training Programs Performance appraisal reviews Grievance Redressal Mechanisms 	Continuous
Customers (External Stakeholder)	<ul style="list-style-type: none"> Timely Delivery Quality Pricing Post-sales Support Product related certifications EHS Management Systems 	<ul style="list-style-type: none"> Emails and Meetings Customer Satisfaction Surveys Grievance Redressal Mechanisms 	Continuous
Suppliers (External Stakeholder)	<ul style="list-style-type: none"> Timely Payment Continuity of orders Capacity Building Transparency 	<ul style="list-style-type: none"> Emails and Meetings Vendor Assessment & Review Supplier Audits Signed Contracts Training Workshops and Seminars Social Gatherings 	Continuous

Stakeholder Group	Concerns	Engagement Platforms	Frequency of Engagement
Communities (External Stakeholder)	<ul style="list-style-type: none"> Local Employment Environmental pollution control Infrastructure development Training & Livelihood programs Participation in social services 	<ul style="list-style-type: none"> Training & Workshops Regular Meetings Need Assessment & Satisfaction Surveys CSR Reports 	Continuous
Investors & Shareholders (External Stakeholder)	<ul style="list-style-type: none"> Sustainable Growth & Returns Risk Management Corporate Governance Market Share Operational Performance 	<ul style="list-style-type: none"> Board Meetings Annual Reports Website 	Quarterly
Government & Regulatory Bodies (External Stakeholder)	<ul style="list-style-type: none"> Tax and Royalties Compliance to laws & regulations Employment Pollution Prevention Local Economy Growth 	<ul style="list-style-type: none"> Annual Reports Communication with regulatory bodies Formal Dialogues 	As per requirement and at least once a year
Media (External Stakeholder)	<ul style="list-style-type: none"> Community Relations 	<ul style="list-style-type: none"> Social Media Press Releases Interviews Website 	As per requirement
Industry Associates (External Stakeholder)	<ul style="list-style-type: none"> Regulations, compliance with Industry Standards 	<ul style="list-style-type: none"> Meetings 	As per requirement

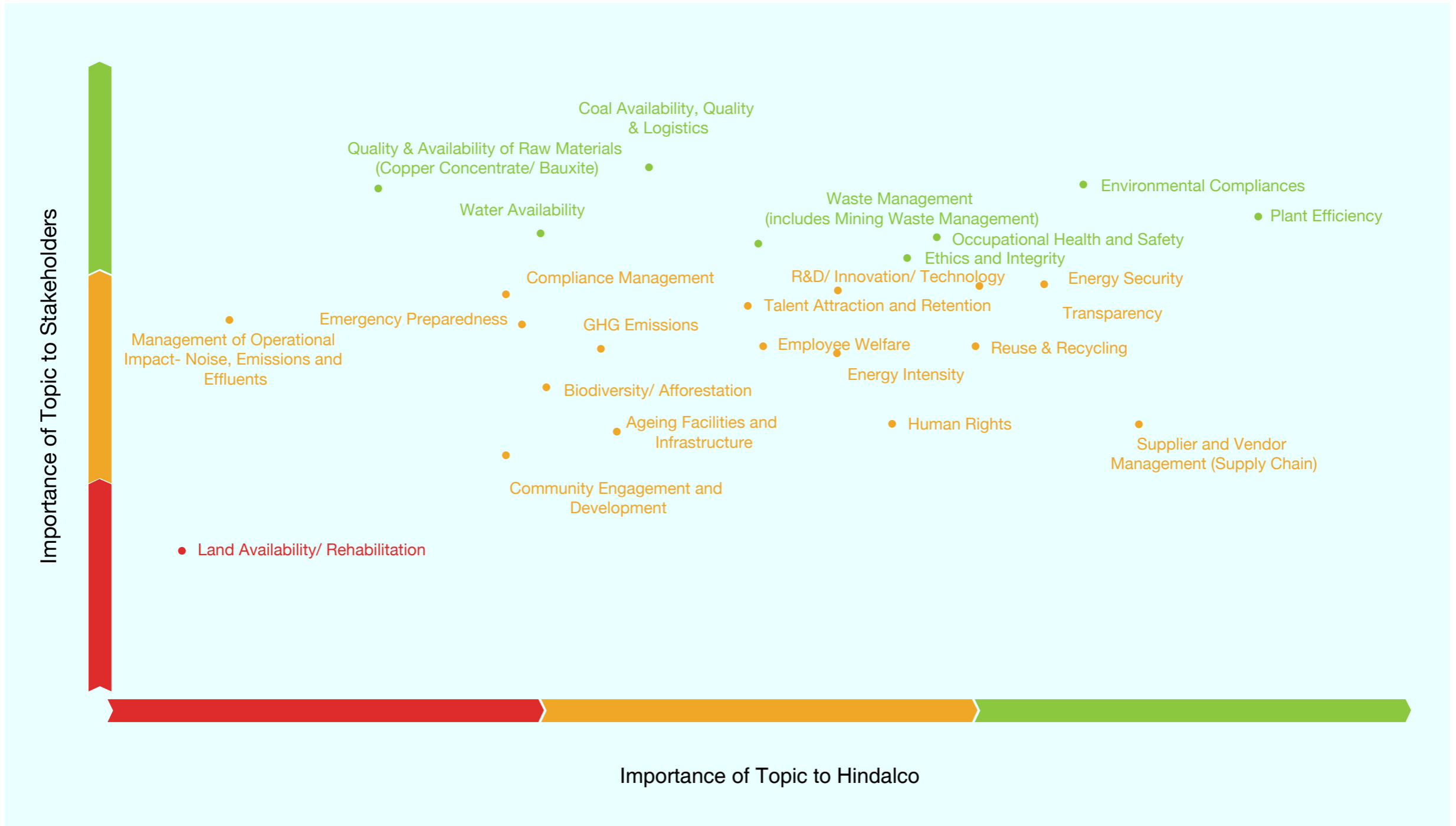
Materiality Assessment

We believe that materiality assessment is an important exercise in defining business strategy. With various stakeholder engagement platforms, we have received responses highlighting topics that are of relevance to stakeholders. We also consulted our senior management in view of the business objectives and market scenario. Based on inputs from the senior management we identified topics that were of relevance for our management. The topics that are of relevance to our stakeholders and to our management were then mapped to prioritize material topics for our business. The outcome of this exercise for the aluminium business, copper business, and for Hindalco is as presented in the matrix. Topics in the top right corner of the matrix are of high importance for our stakeholders as well as for our management.

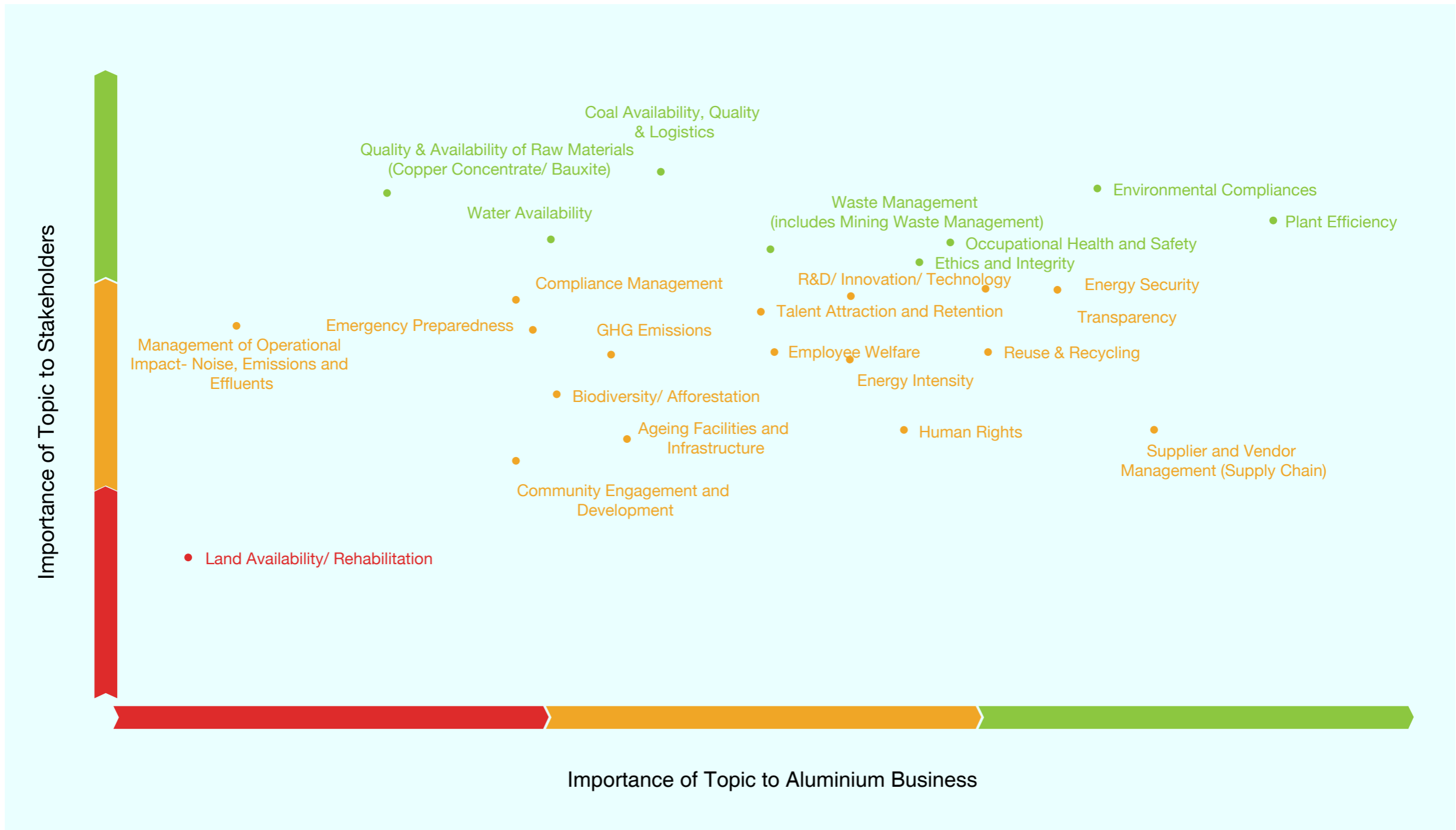
Top material topics identified for Hindalco are as follows:

Material Topic	GRI Topic	Report Section
Environmental Compliances	Environmental compliance	Environmental Stewardship
Waste Management (including mining waste management)	Effluents and waste	Environmental Stewardship
Occupational Health and Safety	Occupational Health and Safety	Health and Safety
Compliance Management	Environmental compliance Socioeconomic compliance	Economic Stewardship Environmental Stewardship Product Stewardship
Ethics and Integrity	Corporate governance	Corporate Governance
R&D, Innovation and Technology	Non-GRI topic	Product Stewardship
Plant Efficiency	Materials, Energy, Water and effluents, Emissions	Environmental Stewardship
GHG Emissions	Emissions	Environmental Stewardship
Water Availability	Water	Environmental Stewardship
Energy Security	Energy	Environmental Stewardship

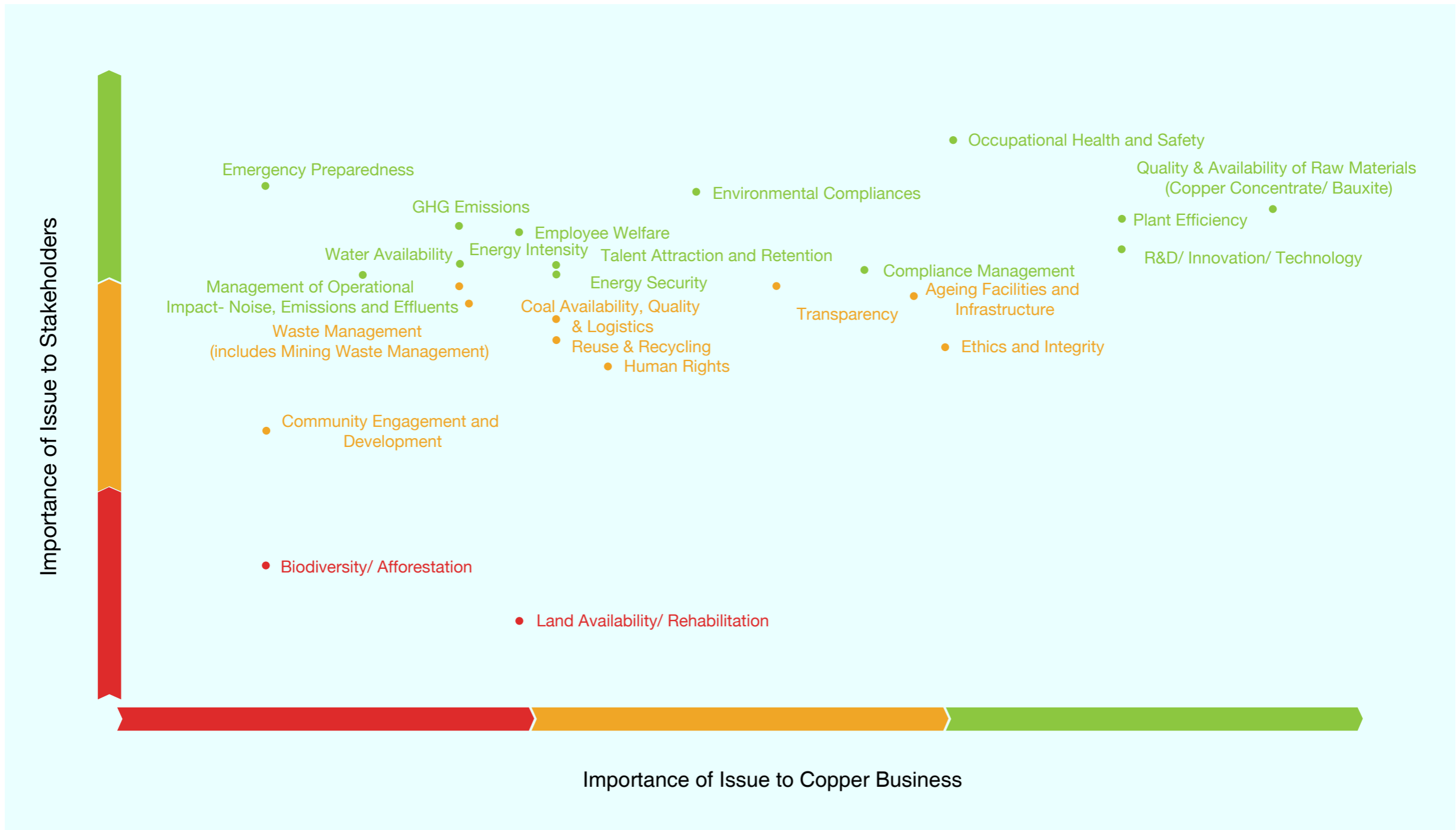
Materiality Matrix – Hindalco (overall)



Materiality Matrix – Aluminium Business



Materiality Matrix – Copper Business





Economic Stewardship



While maintaining profitability, we keep our focus on sustainability & inclusive growth. Our stable and resource efficient operations aligned to the concept of circular economy help us to reduce stress on the environment. We are carefully identifying risks associated with climate change and are committed to develop strategies to mitigate those risks.

Being part of the metals and mining industry, we are associated with large number of stakeholders including our supply chain partners. Our operations are resource intensive and have significant environmental footprint. We align our operations to group's technical standards with a commitment to improve continuously. Through process and product innovations, we minimize risks associated with our economic and environmental footprint. Our efforts are also aligned towards percolating the sustainability agenda across the supply chain. Our operations have significant impact on improving direct and indirect livelihood opportunities for communities around our operations. We understand the impact of climate change on business operations and we are taking steps towards identifying potential risks due to climate change. As first step, we have developed a framework to identify climate change related risks across our supply chain. Going forward, we will cover our business operations for the climate change risk assessment. We are committed to develop effective time bound action plan to deal with these risks.

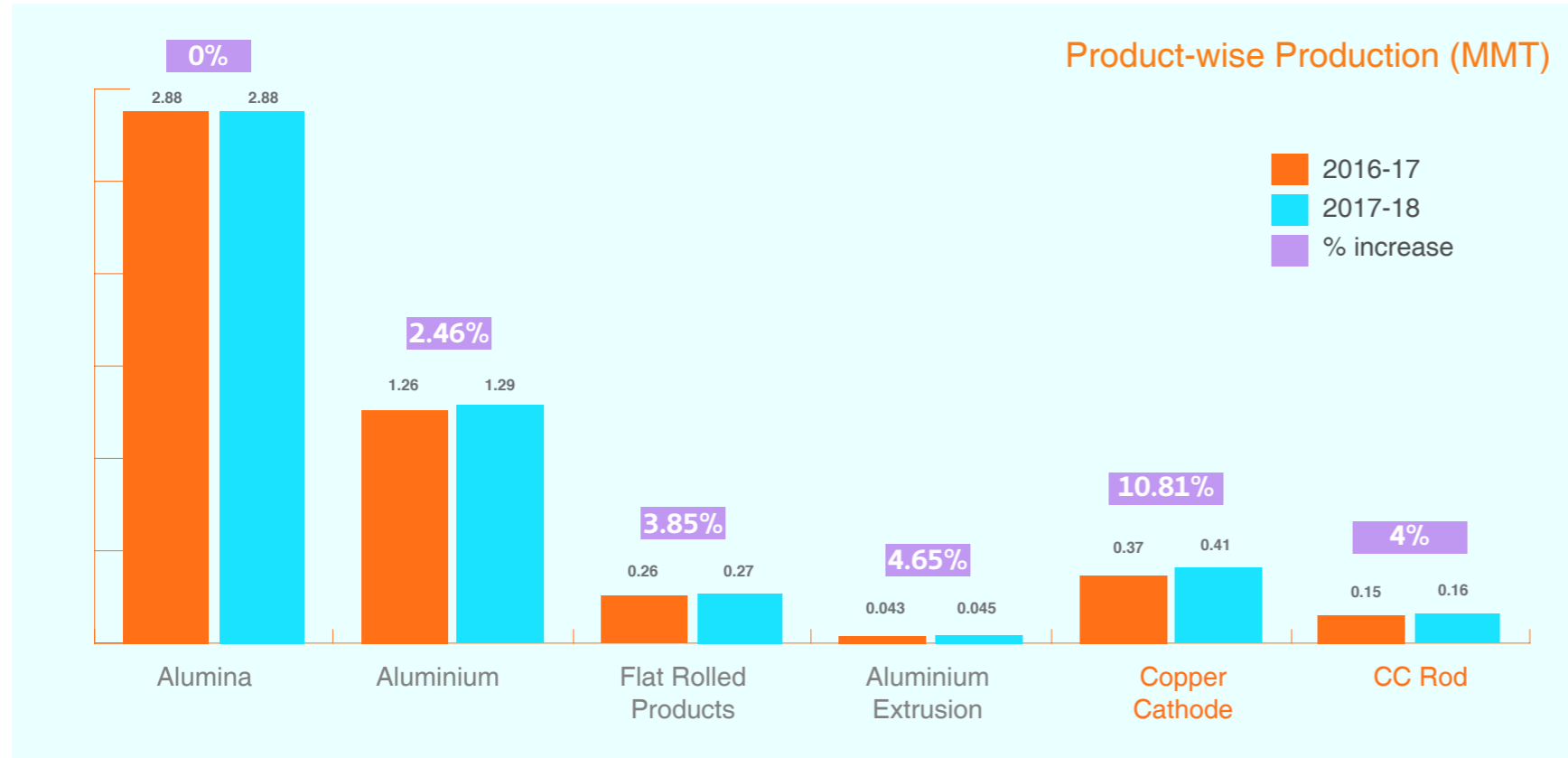
While maintaining our focus on integrating sustainability into our core business strategy, we closely work with our business leadership to move towards developing long-term sustainability targets. Our sustainability efforts contribute to meet the SDGs set by UNDP. We are delighted to be fully compliant of the policies and regulations stipulated by the government and regulatory authorities from time to time.

We acknowledge support of our workforce who wholeheartedly contribute to the inclusive growth agenda. We also acknowledge support from our various stakeholders including business partners, customers, suppliers and investors for their long term trust. We continue to uphold the commitment to operate while balancing the triple bottom line performance.

Praveen Kumar Maheshwari
Chief Financial Officer & Whole Time Director



Our focus has always been on creating value, optimizing resources and enhancing the capabilities of our assets. We aim to improve our performance and increase positive impacts by distributing the value generated.



We achieved record aluminium and alumina productions by operating plants at their design capacities at stable levels. In the copper business, we increased cathode production as compared to the previous year. Also, a new continuous cast copper rod (CCR-3) plant was commissioned at Dahej. The copper business reported highest-ever volumes and continued to deliver strong performance in FY 2017-18.

Our business performance and aspects related to economic,

social and environmental impacts are regularly reviewed through various functional committees. Our management is apprised about the progress on a quarterly basis. Necessary actions for improvement are taken accordingly.

Mitigating impacts due to climate change requires strategic actions such as optimizing the energy usage; effective water and waste management; and improving health and safety performance. Our business operations are resource-

intensive and hence have a risk of being impacted by climate change. Consequently, we have mapped supply chain risks to understand the implications associated with climate change. This enables us to gauge supply chain sensitivity to climate change impacts more accurately. We have achieved the targets set as per the Perform, Achieve and Trade (PAT) mechanism. This shows our commitments towards addressing climate change risks. Furthermore, we are in a process of developing a framework to carry out an organization-wide climate change risk assessment in keeping with the 'Precautionary Principle'.

During the reporting period, no non-compliance, strictures or penalties have been imposed on the Company by stock exchange(s) or SEBI or any statutory authority on matters related to capital markets. We haven't received any complaints regarding breaches of customer privacy or loss of customer data either. During the reporting period, no significant fines, penalties, or non-monetary sanctions were imposed for non-compliance with environmental and socioeconomic laws and regulations.

We contribute a certain percentage of salaries for all managerial employees in superannuation funds such as National Pension Scheme (NPS). We also provide post-retirement medical benefits for some of our employees. We have provisions for liabilities towards earned leaves of our employees. We also contribute towards the provident fund that is managed by approved trusts or through the Government. These initiatives help us to meet our defined benefit plan obligations.

We have showcased strong business performance during the reporting period. This is clearly reflected in the segment-wise performance, in which Aluminium achieved a significant EBITDA margin for FY 2017-18.

FY 2017-18 (Hindalco standalone and Utkal) INR crore	Aluminium including Utkal			Copper		
	FY 17	FY 18	% increase	FY 17	FY 18	% increase
Revenue from Operations	20,327	21,089	4%	19,408	22,371	15%
Segment EBITDA	4,094	4,790	17%	1,456	1,539	6%

Financial Highlights

Direct Economic Value Generated, Distributed and Retained (INR crore)

	Hindalco India - Aluminium	Hindalco India - Copper	Hindalco India - Corporate	Utkal Alumina International Ltd
Economic Value Generated				
Net Sales by business	20,748.17	22,049.87	-	2,802.70
Revenue from financial instruments	102.97	86.73	774.54	22.59
Revenue from sale of assets	(21.47)	5.22	(0.17)	-
TOTAL GENERATED	20,829.67	22,141.81	774.37	2,825.29
Economic Value Distributed				
Operating Costs	15,504.24	20,472.97	(208.85)	1,581.29
Employee Wages and Benefits	1,564.83	137.91	191.91	57.54
Payments to providers of capital	1,093.30	79.22	1,020.98	320.04
Payments to government	-	-	792.33	-
Community investments (Includes donation)	0.84	-	10.10	-
Depreciation and Other Exceptional Income	1,743.59	179.08	19.88	-
TOTAL DISTRIBUTED	19,906.81	20,869.17	1,826.34	1,958.87
Economic Value Retained				
TOTAL RETAINED	922.86	1,272.65	(759.01)	(866.42)

Financial Assistance from Government (INR crore)

Significant financial assistance from government	Hindalco India -Aluminium	Hindalco India - Copper
Subsidies		
a) Export	275.82	8.04
b) Domestic	7.98	-

Expenditure on Environmental Protection (INR crore)

Expenditure on Environmental protection	Hindalco India - Aluminium	Hindalco India - Copper
Capital Expenditure of Environment Protection	11.8	6.6
Revenue Expenditure of Environment Protection	56.9	71.0

Defined Benefit Plan Obligations (INR crore)

Defined Benefit Plan Obligations	Hindalco India - Corporate	Utkal Alumina International Ltd.
Present value of Defined Benefit Obligations at the beginning of the year	842.36	5.84
Current Service Cost	52.25	1.02
Interest Cost	57.33	0.41
Actuarial (Gain) or Loss	(10.12)	(0.61)
Benefits paid	(46.58)	0.26
Present value of Defined Benefit Obligations at the end of the year	895.24	6.92

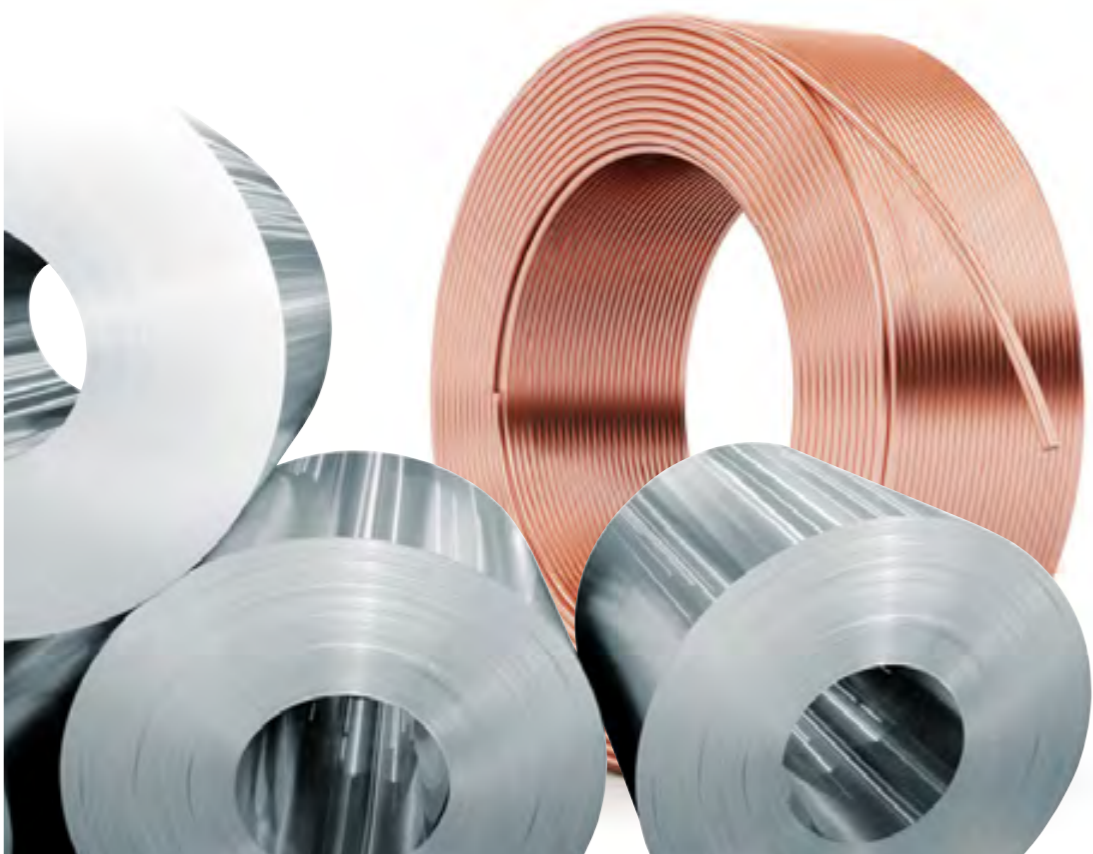


Product Stewardship



We contribute to circular economy by focusing on five thrust areas: energy and emissions, new products and applications, increased recovery of copper, recovery of precious metals and value from waste. Furthermore, we develop action plans today to face the challenges of tomorrow in a bid to future-proof our business operations.

Dr Pradip K Banerjee
Chief Technology Officer



Product Stewardship

Aluminium can be recycled multiple times thereby reducing the requirement of virgin metal. In order to achieve this we constantly strive to develop innovative solutions using advanced technologies. We collaborate with various think tanks and institutions such as IITs, NITI Aayog, Jawaharlal Nehru Aluminium Research Development and Design Center (JNARDDC), National Metallurgical Laboratory and Institute of Minerals and Materials Technology (IMMT) to develop solutions for sustainable tomorrow.

We manufacture a diverse range of products and have a wide customer base spanning sectors from pharmaceuticals and packaging to automotive and transport. All our products comply with local and international product regulations including codes, service information and labelling. All our products meet the compliance requirements of the markets including the ones related to Environment, Health & Safety (EHS).

We have strong focus towards our growth strategies. We focus on enriching the product mix in aluminium and improving our capacity in copper business. During the reporting period, we commissioned continuous copper cast rod plant (CCR-3) at Dahej and we expect the operations to be streamlined shortly. As a result, our copper rod manufacturing capacity will become approximately 80% of the cathode production. This added capacity will help us serve the growing demand of copper in the domestic market.

We conduct Life Cycle Assessments (LCAs) of our cold rolled products, and aluminium ingot in accordance with ISO 14040: 2006, and ISO 14044: 2006. We have so far covered about 75% of our products under LCA. This has helped us to identify different hot spots for improvement such as increasing use of renewable energy, design modifications in smelter pot, bauxite ore beneficiation, disposal of fly ash and bauxite residue for sustainable applications like cement manufacturing and infrastructure development etc. We further carried out health and safety impact assessments for approximately 5% of our products such as aluminium foils. During the reporting period, no cases of non-compliance concerning health and safety impacts of our products were reported.

The guidelines for labelling of our products are stringent and every business unit follows them in letter and spirit. As

part of product labelling we provide information pertaining to sourcing, content, safe product use and product disposal. We are in the process of assessing the environmental and social impacts of our products. During the reporting year, there were no non-compliance incidents concerning product and service information and labelling as well as marketing communications.

While we acknowledge that our products are 100% recyclable and have a long life cycle, we are in the process of developing a mechanism to reclaim used products. We have developed capability to recycle external scraps from copper to the tune of the 15.4%. We also focus on collection and re-use of packaging materials like wooden packages for various downstream products.

We regularly review our product development initiatives and take appropriate actions wherever required.

Research and development



Our emphasis on innovation has consistently given us a competitive edge over the years. We have two R&D centres: one at Belagavi and the other Taloja. Both are recognised by the Department of Scientific & Industrial Research (DSIR),

Government of India, and ISO 9001:2000 certified. Our Taloja centre has also been accredited in accordance with the standard ISO/IEC 17025:2005 by the National Accreditation Board for Testing and Calibration Laboratories (NABL). These centers collaborate with Aditya Birla Science & Technology Company (ABSTC) as well as external institutions. Our five key focus areas are energy and emissions, new products and applications, increased recovery of copper, recovery of precious metals and value from waste.

In keeping with the concepts of circular economy, we develop products designed to reduce minimal environmental impacts during usage and disposal. The new products are envisaged to result in reduced energy requirement during their usage, however the quantum of reduced energy requirement is not yet estimated. Our R&D department enables us to meet market needs through new product development. Some highlights of the collaborative efforts among cross-functional teams are:

- **Aluminium Dry Bulker**

Dry Bulklers are normally used to carry products such as cement, fly ash, alumina, etc. These are specially designed truck mounted carriages traditionally made of Mild Steel (MS). Our proposal to substitute MS with special aluminium alloy will likely lead to a reduction in carbon emissions, improvement in fuel efficiency, longer life and higher salvage value.

- **LPG Cylinder**

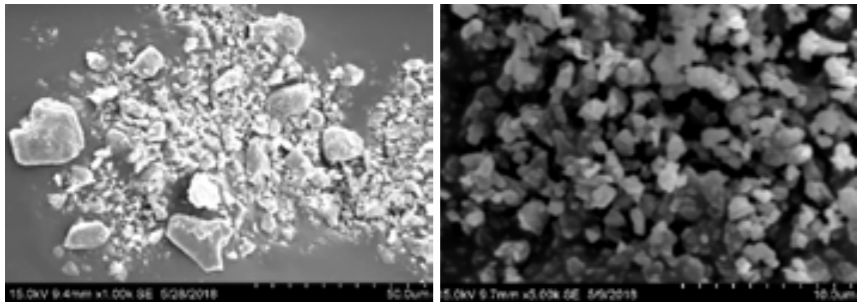
LPG cylinders are traditionally made of welded low carbon steel, are heavy and have a limited shelf life of around 10 years. We propose to substitute this low carbon steel with a special aluminium alloy. This product will lead to significant improvement in fuel efficiency during transportation, longer life of the cylinders, and high salvage value.

- **Lead-free – free machining aluminium alloys**

We are in the process of developing lead-free – free machining aluminium alloys which are more environment friendly as compared to lead-based alloys.

- **Specialty alumina**

Our specialty alumina and hydrates are used to get optimum surface finish in metal and ceramic polishing. This was the result of the application support facilities in our innovation centre. Ceramic-grade alumina were also developed keeping in mind the demand for the export market. These products were well-received by our customers.



• Specialty hydrates

Our innovation centre worked on the fineness and morphology of specialty hydrates to improve surface finish and electrical properties of products. As a result, a precipitated super-fine hydrate was developed in the laboratory and has been tested on a pilot basis. We plan to commercialize this product to meet market requirements. We also developed bi-modal and multi-modal materials that were intended to provide better packaging in polymer-grating, Sheet Moulding Compounds (SMCs), Dough Moulding Compounds (DMCs) and pultrusion applications.

• Oxy-Free Copper (OFC)

We introduced OFCs to cater to niche markets and counter competition to maintain the market share. Our OFC rod of 12.5 mm diameter has an oxygen content of less than 10ppm and is used in the strip-manufacturing process.

• Copper recovery

An innovative process has been developed to recover copper from the effluent generated at our plant in Dahej. The technology has been successfully implemented to recover about 1 MT of copper from effluent with about 90% recovery rate. We have also conducted successful plant trials to reduce the copper loss in the slag generated.

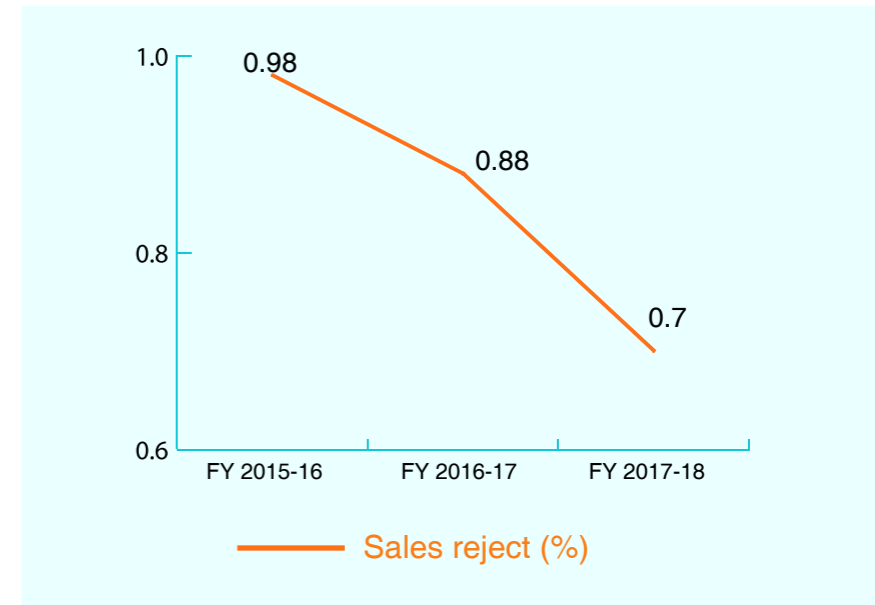
Being customer centric helps us to ensure the business sustainability. We ensure that everyone right from the shop floor to corporate office contributes towards customer centricity. In order to meet market demands, we engage with our customers with a cross functional team, who directly interacts with them and understand their requirements in a holistic way. We feel proud that we have been scoring satisfactorily over customer satisfaction index. Initiatives such as Hello Bosstomer have helped us in a great way to achieve this milestone.

Devotosh K. Das
Chief Marketing Officer (Aluminium)

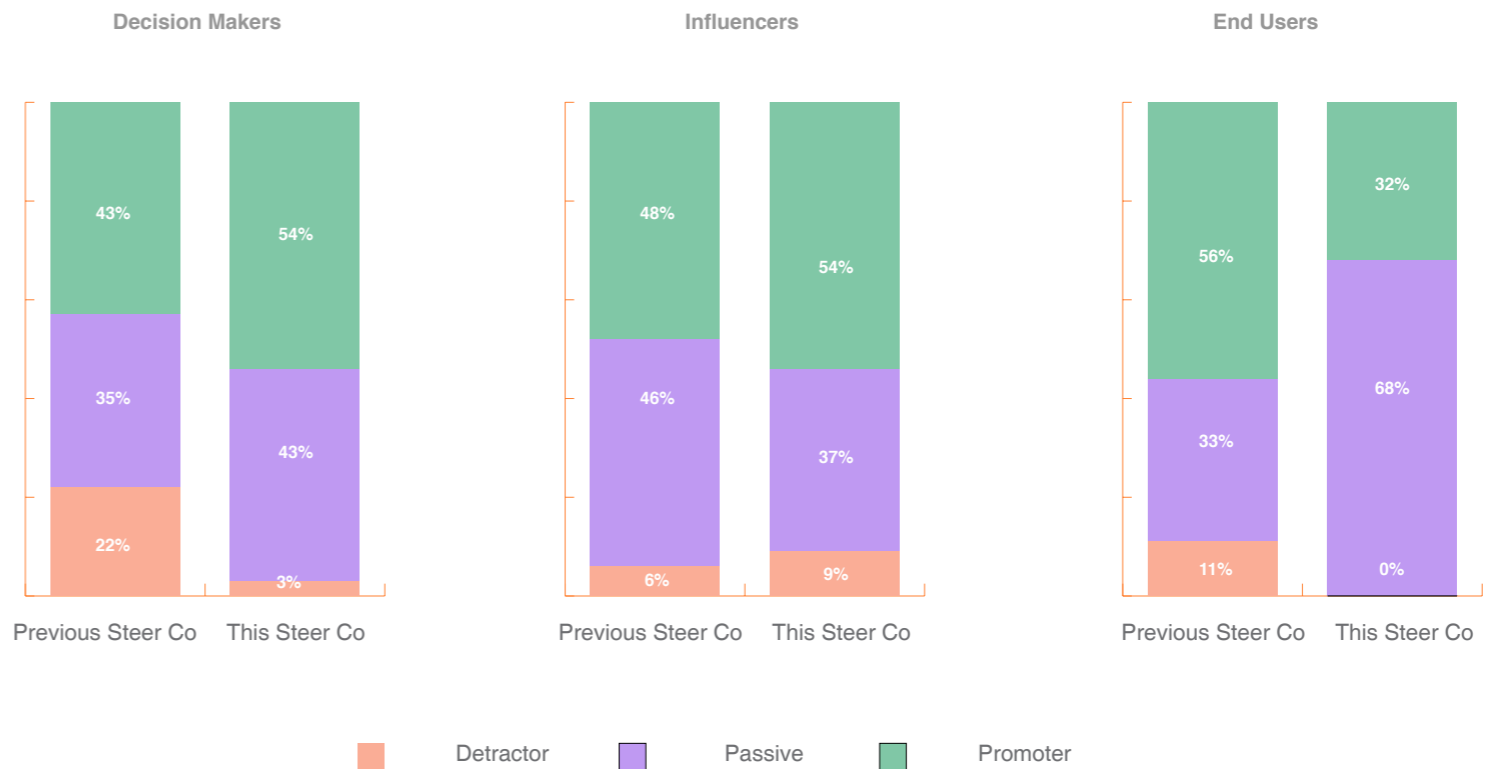
Customer Centricity

It is imperative to continuously evolve to meet dynamic market demands. This ensures customer satisfaction in every step of the way. In order to do so, we have adopted a proactive approach to engage with our customers and receive feedback. Our cross-functional teams visit customer locations to understand their concerns. During FY 2017-18, more than 200 visits were conducted. Additionally, six cluster meets were organized to reach out to smaller customers and strengthen relationships with them. Further, eight customers visited our plants during the reporting year to enhance collaboration by knowledge sharing and fostering a relationship based on trust.

For our aluminium business, we measure satisfaction levels for customers comprising 80% of the market through the Net Promoter Score (NPS) methodology, and Customer Satisfaction Measurement and Management (CSMM) with pre-defined quantitative targets on sales rejects, Complaint Closing Time (CCT), and On Time and In-Full (OTIF) deliveries. During the reporting year, our CCT was 36 days, 9 days lesser than that of last year.



The Customer Relationship Management (CRM) platform of our copper business is the best-in-class in the domestic copper industry. This digital platform is a one stop solution for customers for their day-to-day transactions. Around 65% customers are now beneficiaries of this platform.



Improvement in Customer Satisfaction - Copper Business

Our initiatives towards enhanced customer-centricity are:

• Listen, Observe and Act for customer delight – Mission Happiness Bottom Up

This initiative was launched in April 2017 and is based on obtaining the NPS by asking open ended questions in the scale of 0 to 10 through our call centers. This is a well-structured and continuous process to obtain feedback from customers, act on the identified issues and communicate on the actions taken at our end back to the customers. As a continuous approach, this helps us to address customer issues and communicate to them resulting in improved business relationships.

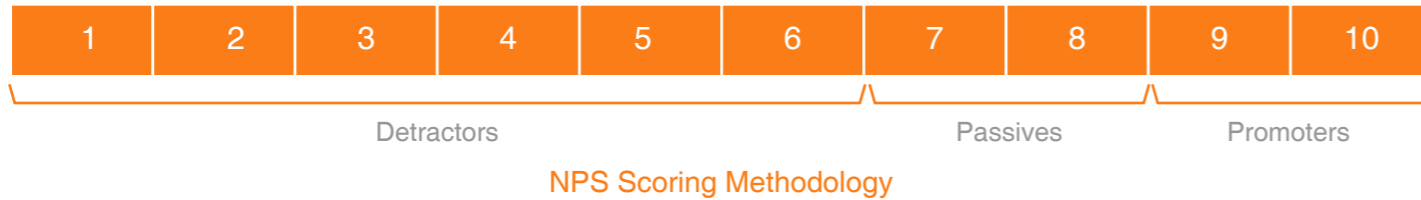
• Listen, Observe and Act for customer delight – Mission Happiness Top Down

This initiative was launched in November 2017 and is based on obtaining the NPS and benchmarking against peers in the industry through customer feedback. It helps us act on the required improvement areas for long-term market sustainability. Results of the survey clearly indicate that we are ahead as compared to competitors when it comes to customer satisfaction. Administered periodically to a sample weighted for market relevant segments, the approach helps us understand our positioning relative to competitors, supports strategy development and prioritizes product & process improvements based on their value.

• Idea Generation – Hello Bosstomer

Hello Bosstomer is a unique in-house initiative involving employees across the organization. Employees express their thoughts to improve customer delight as part of the initiative. The open platform encourages contribution of ideas from all employees, which are evaluated by a cross-functional team and implemented.

Our overall efforts in understanding our customers better and making relevant changes in our products and services have helped us improve upon customer satisfaction. This will help us to continue our business along with efforts towards future-proofing for a sustainable tomorrow.



Company	Base	Total NPS	Key Delivery Message (KDM)	Influencer	End User
Hindalco	164	50	48	63	50
Vedanta	15	-20	-30	34	-50
Nalco	6	50	75	-100	0
Maximum NPS		50	75	63	50

Top-down NPS - Aluminium - Wire Rods

Company	Base	Total NPS	Key Delivery Message (KDM)	Influencer	End User
Hindalco	47	55	65	73	13
Vedanta	20	-20	-23	20	-50
Nalco	11	9	25	-50	67
Maximum NPS		55	65	73	67

Top-down NPS - Aluminium - Flat rolled products





Over the last few years, our consistent efforts have helped us move ahead as an industry leader in the sustainability journey. We have improved our operational expertise with a focus on aspects such as., operational excellence, reduced emissions, waste to wealth, resource optimization, and responsible mining. We understand the role of businesses to mitigate the climate change. We contribute by adopting long term and sustainable energy sources such as solar energy. Our 30 MW Solar PV Plant is nearing completion at Aditya Aluminium, Lapanga, Odisha and feasibility study for additional Solar PV power plants across multiple locations is in progress.

Rajesh Gupta
 Senior President & Cluster Head
 (Aditya and Hirakud Units)

Environmental Stewardship



Environmental Stewardship

We are committed to operate sustainably. We demonstrate our commitment through steps towards environment stewardship and circular economy. We focus on reducing our environmental footprint across operations. We strive to achieve this by following stringent environmental standards

and adopting international best practices of energy efficiency, waste minimization, recycle and reuse of waste & waste water, minimization of hazardous waste generation and safe disposal.

PERFORMANCE HIGHLIGHTS:

	Y-O-Y % improvement
Specific Energy Consumption⁵ Aluminium: 73.1 GJ/MT Copper: 9.45 GJ/MT	0.69% (-4.61)%
Specific GHG Emissions (Indexed to FY 2014-15) Aluminium: 84.3% Copper: 94.7%	4.61% (-2.73)%
Specific Water Consumption Aluminium: 55.5 m ³ /MT Copper: 18.7 m ³ /MT	8.5% 22%
Material Recycling (external) Copper: 13.8%	-
Green cover 3,656 Acre Trees planted (cumulative): 799,228	60.3% 20.6%
TARGETS: <ul style="list-style-type: none"> ✓ To increase green cover to 35% of total land by 2020 ✓ 35% reduction in specific energy consumption by 2030 (from base value of FY 2005-06) ✓ 35% reduction in specific GHG emissions by 2030 (from base value of FY 2005-06) ✓ 40% reduction in specific water consumption by 2025 (from base value of FY 2011-12) ✓ Value from waste: utilizing 10% bauxite residue and 100% fly ash by 2020 ✓ ZLD in all operations by 2020 	

⁵ Energy & GHG emissions intensity for aluminium is reported for process energy for primary aluminium production, which includes energy & GHG emissions from aluminium refinery, aluminium smelter & carbon anode plant in their ratio of use per ton of metal. Energy & GHG emission intensity for copper is reported for process energy for Copper production, which includes Energy & GHG emissions from Copper Smelter & Copper Refinery per ton of copper produced from copper concentrate.

HIGHLIGHTS

- # Achieved ZLD implementation for 10 sites.
- # Achieved 44% reduction in specific water consumption of aluminium operations and 37% in copper operations compared to FY 2011-12.
- # Implemented Technical Standards (TS) and Self-Assessment Questionnaires (SAQs) at manufacturing facilities.
- # Achieved 100% utilisation of non-hazardous solid waste in the copper manufacturing facility.

Our value chain extends from mining to delivery of value-added products. This includes various processes in manufacturing operations and as part of the supply chain network. Through these processes, we consume various natural resources such as materials, energy and water. We acknowledge that our activities have an impact on environment and the society. Considering the responsibility to mitigate those impacts, we take necessary actions to minimize our environmental footprint. Our actions are regularly reviewed by respective functions as well as management.

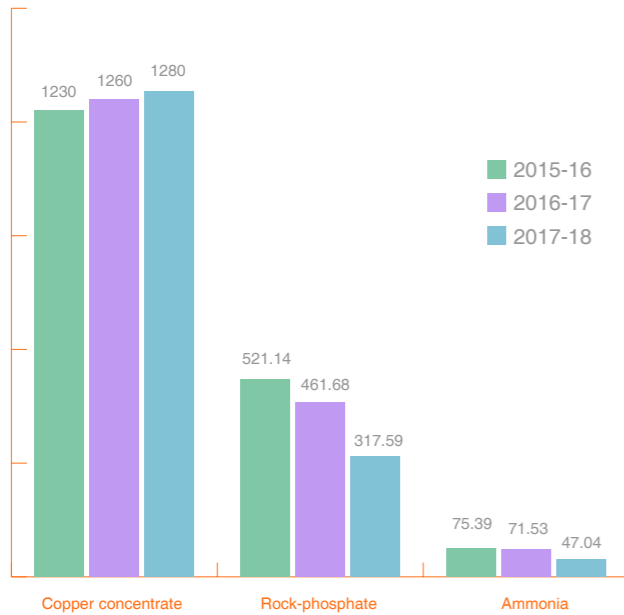
We have an environment management system that enables continual improvement in environmental performance through the use of modern technology and robust monitoring systems. All our improvement projects are designed in a way that ensures minimal impact on the environment in terms of resource consumption and waste generation.

We regularly submit environmental compliance reports to respective authorities as per regulatory requirements. During FY 2017-18, we spent a total of INR 146.3 crore (includes capital and revenue expenses) on environmental conservation, and INR 102 crore capital expenditure for energy conservation equipment. We affirm that no fines or non-monetary sanctions were levied upon the organization for non-compliance with environmental regulations. Our energy performance disclosed in the report covers our manufacturing operations only.

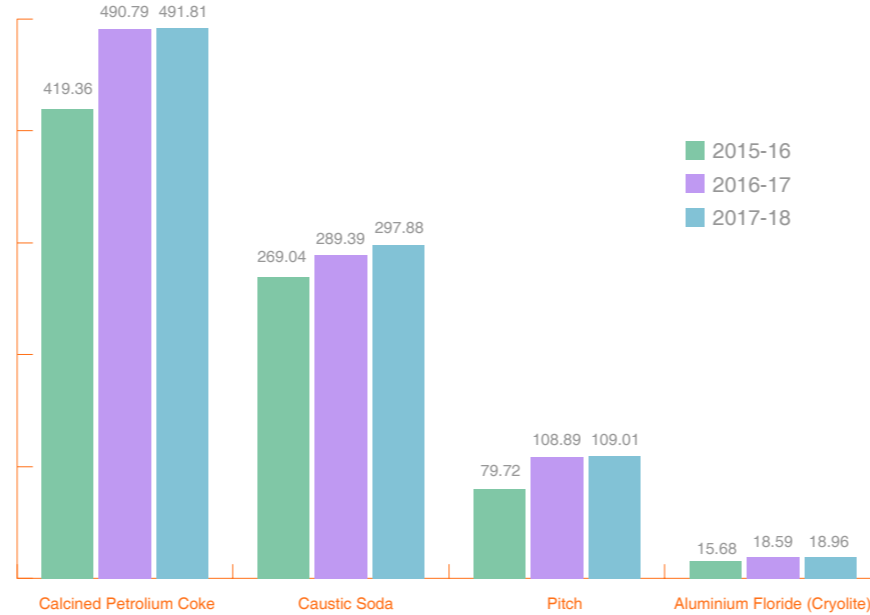
Materials Management

In our mining practices, we take into account the concerns of all our stakeholders while balancing them with environmental concerns. We implement a multi-dimensional approach of resource-use optimization throughout the value chain. We track environmental performance by defining responsibilities and Key Performance Indicators (KPIs). This helps us in

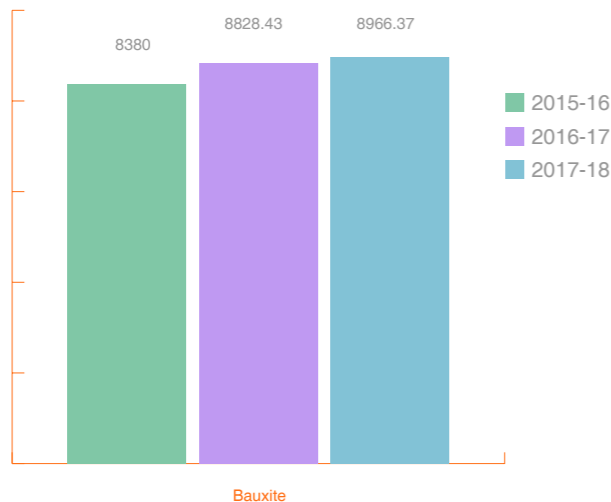
maintaining long-term sourcing relationships with suppliers based on productivity, cost and sustainability parameters. We have utilized about 3.27% as recycled input material from total raw materials used in copper production. We do not use any reclaimed products and their packaging materials.



Raw material consumption (Copper) (000' MT)



Raw material consumption (Aluminium) (000' MT)



Raw material consumption (Aluminium) (000' MT)

RECYCLED MATERIAL CONSUMPTION

- Total recycled material (Aluminium-external) = 930 MT
- Total recycled material (Copper-external) = 55,522 MT



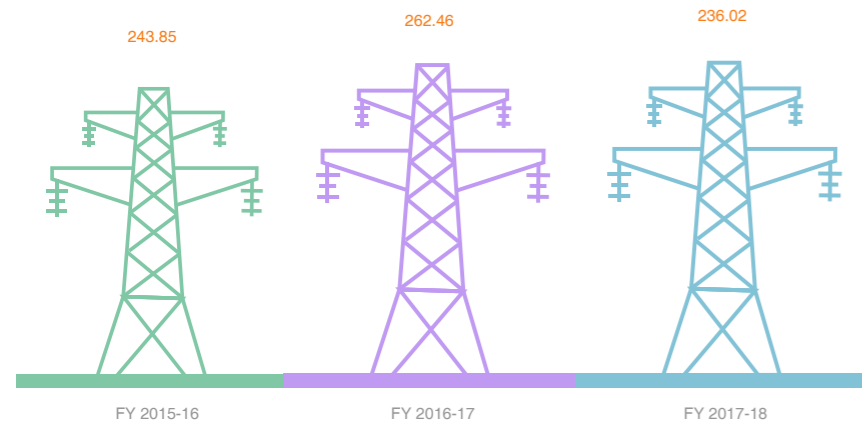
Energy Management

We consider energy consumption to be one of the metrics for environmental performance. Consequently, we have developed and monitor stringent KPIs and targets at both the plant and the company levels. Our policies encompass both efficient energy utilization and renewable technology implementation.

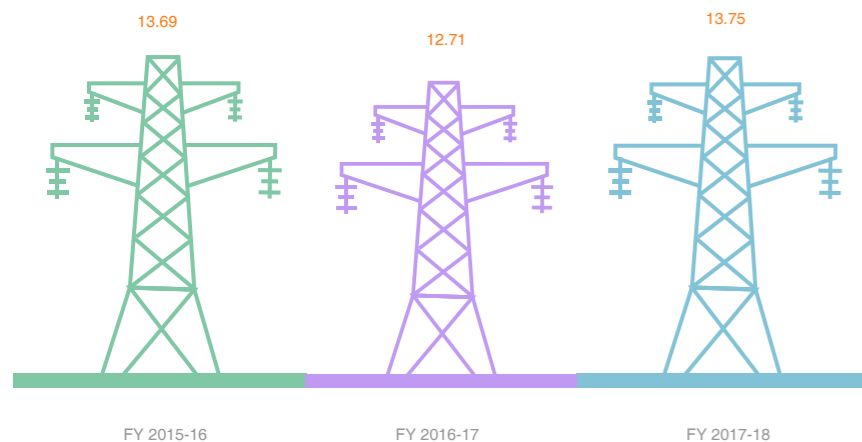
We conduct gate-to-gate & process level analyses of energy consumption & GHG emissions on a regular basis. These are reviewed periodically by our top management.

Periodic energy audits are conducted for all our manufacturing units and specific heat loss studies across all our power plants. We have been consistently able to align our energy consumption as per various regulatory requirements, including PAT mechanism of Bureau of Energy Efficiency (BEE). Five of our units were nominated in PAT Cycle I, six units in PAT Cycle II and seven units in PAT Cycle III. We have achieved targets set out in PAT Cycles I and II. Our robust monitoring and measures towards continual improvement put us on a path to achieve targets set out in PAT Cycle III.

We are planning to take initiatives to reduce the environmental impacts of our supply chain. One such initiative was warehouse consolidation to reduce average distance travelled by materials transported. We are also shifting from road to rail transport wherever possible. The process for estimating energy usage and emissions of supply chain operations is in progress.



Total Aluminium Energy Consumption (Mn GJ)



Total Copper Energy Consumption (Mn GJ)

Energy Conservation

We have extensively worked towards reducing our energy consumption across operations. A number of initiatives were taken towards energy efficiency improvements. We invested significant time and effort in capacity building of our staff in the areas of energy efficiency. We are motivating respective individuals to undertake qualifications of Energy Manager, and Energy Auditor. We are planning to train about 84 professionals in this skill area.

We undertook various initiatives to reduce steam consumption in aluminium refinery, reduction in aluminium smelter energy consumption, efficiency improvements of boilers, efficiency improvement of pumps & motors, auxiliary power consumption reduction etc. We are working on a mechanism to estimate the actual savings in energy consumption. Some of these initiatives are as follows:

- **Cu-insert Collector Bar (CuCB) in smelter pot line:** We patented the CuCB in HiraKud 85 kA potline. The technology along with smelter pot lining design resulted in a reduction in energy consumption by more than 300 kWh/ton of aluminium. We are planning on testing and implementing this technology in other facilities as well.
- **Stepped Stub Anode Technology (SSAT) in Renukoot Smelter potline:** We implemented and patented the SSAT that offers a reduction in energy consumption by more than 140 kWh/ton.
- We performed retrofitting of **High Tension (HT) Variable Frequency Drive (VFD)** in the HiraKud power plant which resulted in reduced power consumption of around 90 kW/fan.

The reduction in energy consumption as mentioned in the above initiatives is based on the design capacity of equipment and in comparison with the baseline scenario. The baseline scenario is the situation where the new equipment was not installed.

Alternate sources of energy

Presently we have a 1 MW solar plant in our Alupuram, Kerala plant. The percentage of solar energy in the total energy mix in FY 2017-18 was less than 1%. However, we plan to purchase solar and wind power from third parties in the coming years. We have also initiated action for 30 MW solar plants at our Aditya, Odisha Unit. Additionally, solar power projects with a total capacity of 17MW across multiple

locations are underway. As part of our target to increase alternate sources of energy in our energy mix, we have taken the following initiatives during the reporting period:

- Use of biomass as a supplementary fuel in our boilers.
- Use of translucent roofing sheet / sun light pipe for natural light.
- Use of turbine ventilators in place of conventional exhaust systems.
- Installation of solar water & solar emulsion heaters.

Emissions

As part of our environment management plan, we regularly monitor our GHG emissions. We also monitor stack emissions such as Particulate Matter (PM), Sulphur Oxides (SOx) and Nitrous Oxides (NOx). Consequently, we maintain our emissions well within limits permissible by relevant regulations. Our total ODS emissions in CFC11-eq during the reporting year was 0.23MT. We are in the process of developing a mechanism to monitor, measure and report Scope-3 GHG emissions for our operations.

During the reporting period, we observed a reduction in our Scope-2 GHG emissions. We also observed a reduction in specific GHG emissions (Scope-1 and Scope-2) in aluminium operations.

The emissions are estimated using the approach defined in World Resource Institute's (WRI) Greenhouse Gas (GHG) Protocol. We also use relevant industry standard emission factors and those prescribed by Intergovernmental Panel on Climate Change (IPCC).

Emissions source - Aluminium	FY 2015-16	FY 2016-17	FY 2017-18
Scope 1	25.25	26.07	26.09
Scope 2	0.54	0.53	0.43
Total	25.79	26.60	26.52

Emissions source - Copper	FY 2015-16	FY 2016-17	FY 2017-18
Scope 1	1.17	1.09	1.18
Scope 2	0.04	0.06	0.02
Total	1.21	1.15	1.20

Stack Emissions

The stack emission values are estimated according to the monthly monitoring reports submitted by third party agencies or by internal teams as applicable.



Sector	Emissions (Vehicles) (Million tCO2e)	SF6 and HCs Emissions (Million tCO2e)
Aluminium	0.0144	0.0081
Copper	0.001	0.002
Total	0.0152	0.0097

Reduction in PM emissions at Muri

At the Muri plant, we installed 3-phase transformers to improve performance of Electrostatic Precipitators (ESPs) of boilers. Our initial target was a reduction of SPM by 20-25%, but finally achieved 47% reduction in SPM emissions.

Water Management

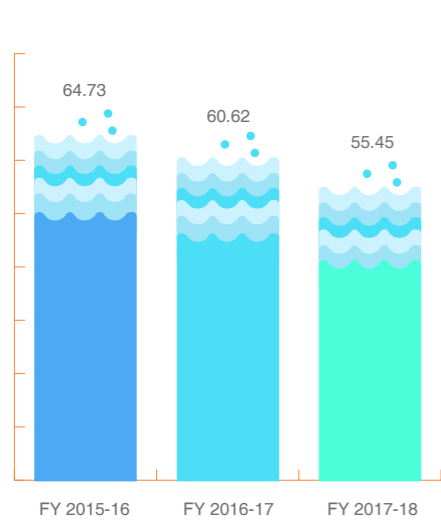
Water is one of the crucial natural resources we utilize in our operations. We monitor water consumption using water meters. We aim to achieve ZLD at every unit. We ensure that water withdrawal at every site is well within permissible limits as set by regulatory requirements. This ensures that our water consumption does not severely impact water sources. Our total water withdrawal during the reporting period was about 97.35 million m³. Out of this, about 5% was from rainwater harvesting and the rest was from sources including surface water. We have surpassed our 2025 target

for specific water consumption in the aluminum business. In the copper business, we have reduced our water intensity by 22% as compared to the previous reporting period by reducing leakages and process improvements.

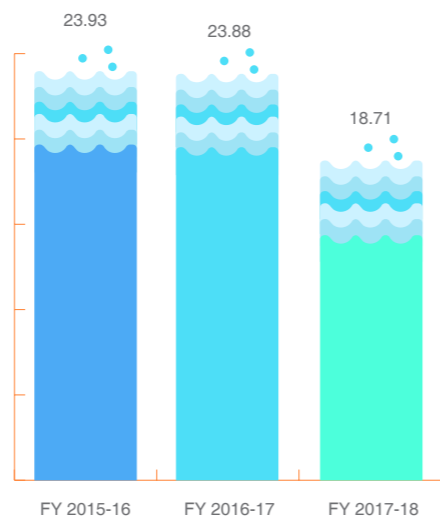
We have made efforts to reduce our specific water consumption across our operations. We have also recycled wastewater generated from our processes. We closely monitor the quantities of wastewater generated and recycled at various metering points. During the reporting period, we recycled 27.90% of the total water consumed in aluminium

manufacturing operations and 9.83% of total water consumed in copper manufacturing operations.

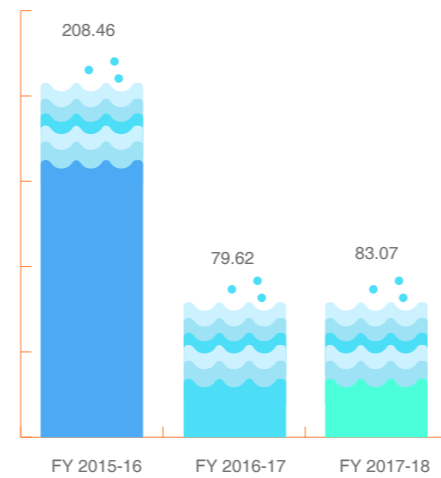
We monitor our wastewater quality parameters to ensure that they are within permissible limits as prescribed by respective State Pollution Control Boards (SPCBs). The destinations of discharges are also as specified by respective SPCBs. Effluent discharge in the reporting period from our aluminium operations was 83,074 m³ and that from our copper operations was 255,500 m³.



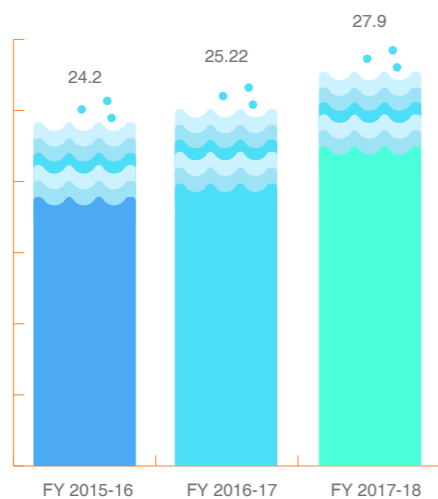
Specific Water Consumption (m³/MT) - Aluminium



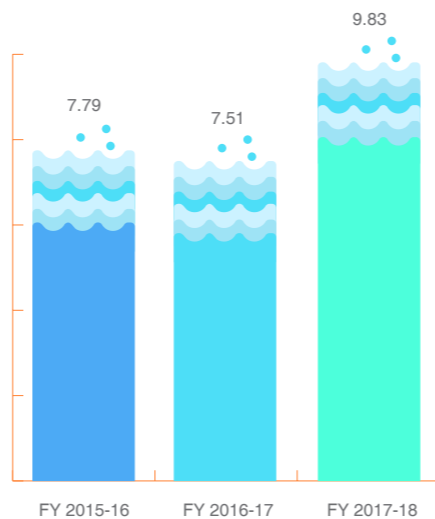
Specific Water Consumption (m³/MT) - Copper



Aluminium Effluent Discharge (000' m³)



Aluminium Water reuse / recycle (%)



Copper Water reuse / recycle (%)

Reuse of wastewater at Alupuram

The wastewater generated from the canteen at the Alupuram site was estimated as 5 m³/day. To reduce discharge, a pre-treatment plant was installed to treat said wastewater. This resulted in a significant reduction in the BOD content of the wastewater and plans to connect the treated water pipe to the Sewage Treatment Plant (STP) are underway.

Retrofitting the cooling tower at Mouda

The cooling tower at the Mouda plant was refurbished during the reporting year. This resulted in a reduction in the running time of the soft water pump by 45 min/day. Consequently, the water consumption of the tower reduced by nearly 10-13 m³/day.

Water conservation at Renukoot

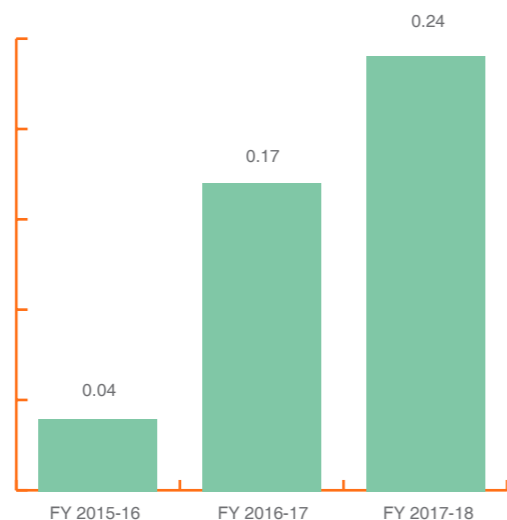
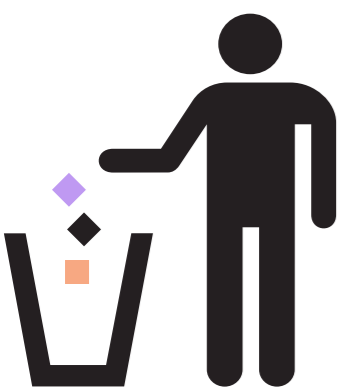
The digestion and clarification departments of the plant implemented two major water conservation initiatives. One was to reduce drinking water consumption in the Hamelman pumps and the other was to reduce water being sent to the Effluent Treatment Plant (ETP). Together, these initiatives resulted in a reduction in water consumption of nearly 34 m³/hour.

Waste Management

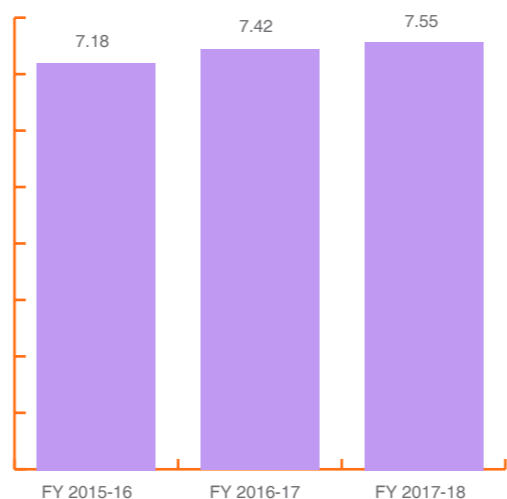
We employ the principle of ‘3Rs of Waste Management’ – Reduce, Reuse and Recycle – at all our manufacturing locations. Our ‘Value from Waste’ initiative systematically collects scrap and ensures safe storage / disposal of all kinds of waste generated. The Dahej manufacturing division supplies fly ash from the power plant for construction applications. Furthermore, plans for reuse of copper slag

and phosphogypsum are underway. Used anode butts are completely recycled in the process. We aim to utilize 10% of bauxite residue and 100% of other solid waste generated for various applications.

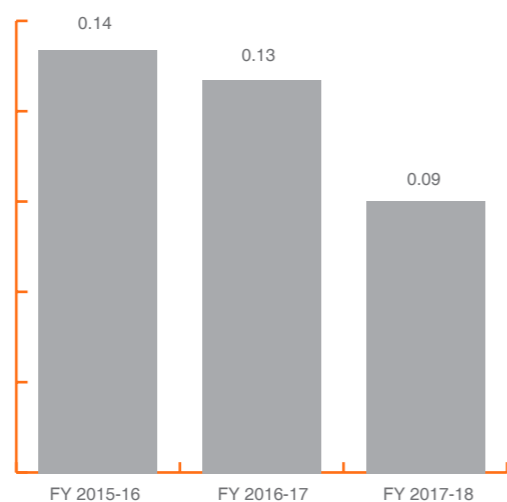
Our ‘Value from Waste’ initiative is aimed at achieving 100% utilization of key wastes by 2025. These wastes include bauxite residue, fly ash, spent-pot lining, aluminium dross, vanadium sludge, copper slag and phosphogypsum. In FY 2017-18, we achieved 100% utilization of aluminium dross, phosphogypsum, vanadium residue, and fly ash from copper. Additionally, we have also utilized residual stock of solid waste of the previous reporting period. We have utilized 88% of copper slag during the reporting period. There were no significant spills during the reporting period.



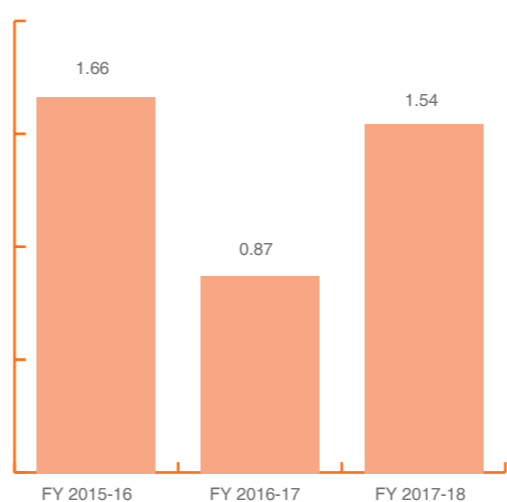
Hazardous waste disposed - Aluminium (million MT)



Non-hazardous waste disposed - Aluminium (million MT)

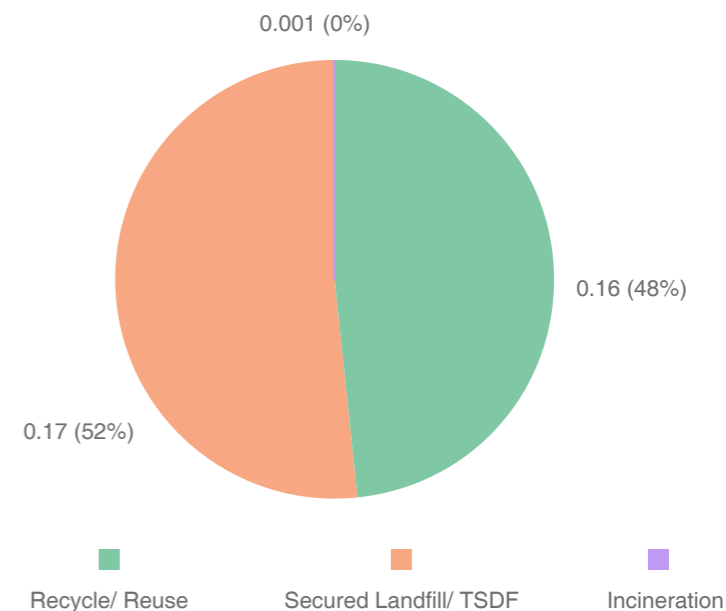


Hazardous waste disposed - Copper (million MT)

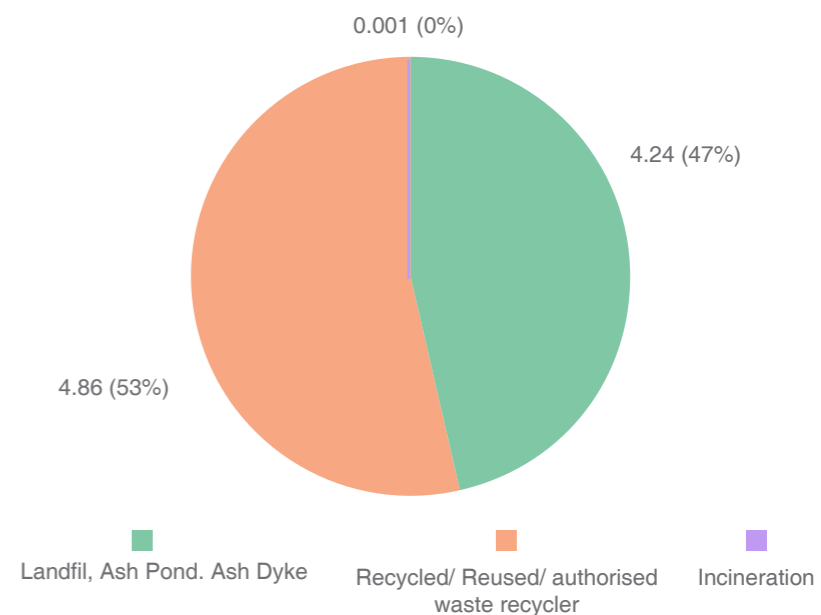


Non-hazardous waste disposed - Copper (million MT)

Waste Disposal by Method (Hazardous)



Waste Disposal by Method (Non-Hazardous)



Resource recovery at Aditya

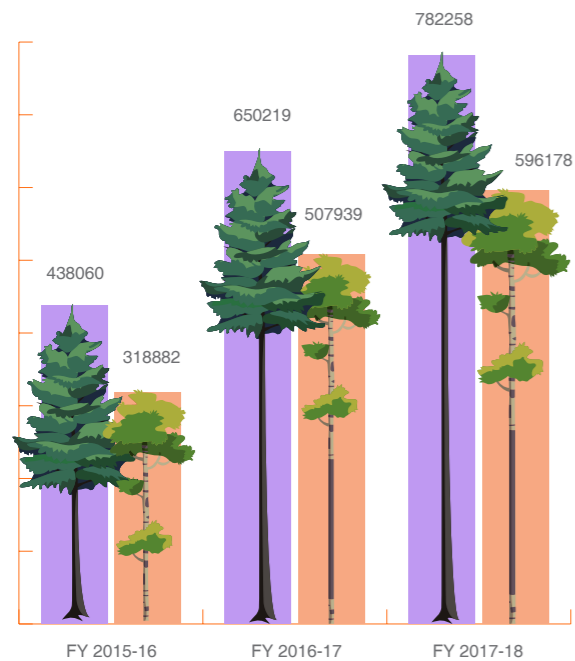
Tar waste and aluminium dross were recycled during the year to enhance resource recovery. We achieved a recovery rate of nearly 91% for tar waste and 100% for aluminum dross.

Bauxite residue utilization at Muri

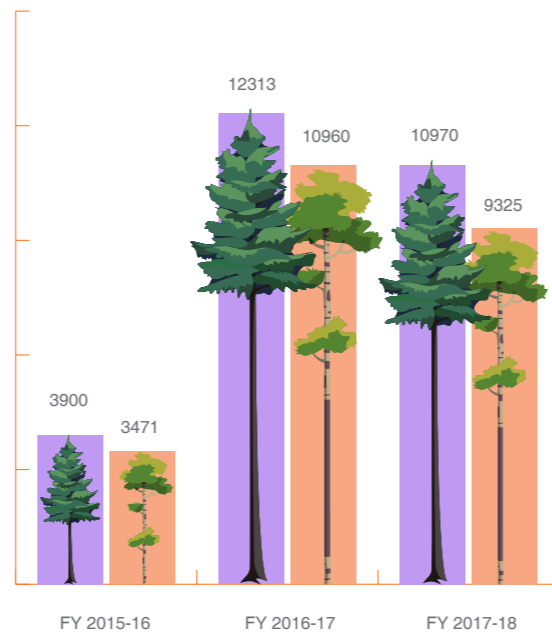
In a bid to improve resource use efficiency, the Muri plant has collaborated with the local ACC cement plant to send bauxite residue generated for reuse as a raw material. During the year, over 27,000 MT of bauxite residue was dispatched to the ACC plant by railway rakes. Additionally, we are exploring further utilization of bauxite residue through talks with ACC's plants at Bargarh, Dalmia and Rajganjpur.

Greenbelt Development Programme

In order to maintain an ecological balance around our operations, we actively engage in increasing green cover through our green belt development programme. Our progress is as indicated in graphs below:



Green Belt Programme-Aluminium



Green Belt Programme-Copper



Responsible Mining

Responsible mining is an important factor for the sustainability of our business. We are committed to responsible resource extraction and focus on the restoration of ecosystems and rehabilitation of communities. We use advanced technologies to minimize the stress on the environment. We factor in socio-economic and cultural aspects of communities around our mines and take steps towards inclusive growth.

Pramod Unde
President (Mining and Minerals)



Responsible Mining

Minimizing the environmental and social consequences of mining is an important step contributing to responsible mining. We focus on preservation and restoration of ecosystems while carrying out mining operations. Our mining operations are spread across various locations in India mainly in Jharkhand, Odisha, Chhattisgarh and Maharashtra. We undertake several initiatives to reduce the impacts of our operations. These initiatives include plantation of local species around the mine lease area; reduction of dust pollution; increasing the green cover to retain soil and reduce soil erosion; and effective water management. We ensure proper rehabilitation of the impacted communities. We comply with all regulations related to our operations.

The key challenges identified in mining are:

- Issues regarding water consumption, air pollution and noise pollution
- Displacement of local communities
- Ensuring compliances to various laws and regulations related Forest, Environment, Mines and Minerals Act, Land acquisition and various local applicable laws which are more than 30 to 35 in numbers.
- Time required to start new mining projects due to lengthy procedures outlined in various acts and regulations.

We extract about 8.5 million tons of bauxite annually of which approximately more than 50% is transported through ropeways and conveyers. This helps us to have dust-free transportation operations at mining sites. We use solar energy for street and residential lighting at some locations.

Sustainability audits of our mines are carried out by Federation of Indian Mineral Industries (FIMI) periodically. Statutory audits are conducted internally on regular basis. We take into consideration the findings of our audits and incorporate them into future projects. During the reporting period, four of our mine locations were inspected by FIMI.

We focus on conservation and restoration of ecosystems as part of mining operations. We have implemented various strategies to take care of the local ecosystems in our operational sites. These initiatives include:

- Plantation of native species in and around the mine lease area to attenuate noise impacts;
- Reduction in dust pollution;
- Afforestation;
- Retaining the soil cover;
- Reduce soil erosion and restoration of mine area with proper slope; and
- Drainage and preserving the seed-bank by plantation of the native species of flora.

Keeping in mind the restoration of ecosystems and rehabilitation of communities, responsible mining has three key aspects of Watershed Management, Mine Designing and Plans and Monitoring Parameters.



Sustainable Mining at Hindalco

We take steps to ensure that topsoil is preserved and adequate plantations are done in reclaimed areas. At all sites we ensure that overburden is disposed as per approved mining plans and within the area earmarked for such activities.

Mining Management

Mining Management (Ha.)	2015- 16	2016-17	2017-18
Total mining area leased	9,327.1	11,337.3	10,158.8
Total area mined out	104.1	126.2	158.5
Total area reclaimed	88.0	108.0	127.4
Total area disturbed	87.2	126.1	154.2
Total area rehabilitated	1,103.7	94.8	118.4
Total area disturbed and not rehabilitated	328.3	282.5	376.8

Our activities towards responsible mining:

- Restoring Ecosystems
- Rainwater Harvesting
- Plantation and Green Belt Development
- Conservation of Minerals
- Adopting Sustainable Practices

Biodiversity Management

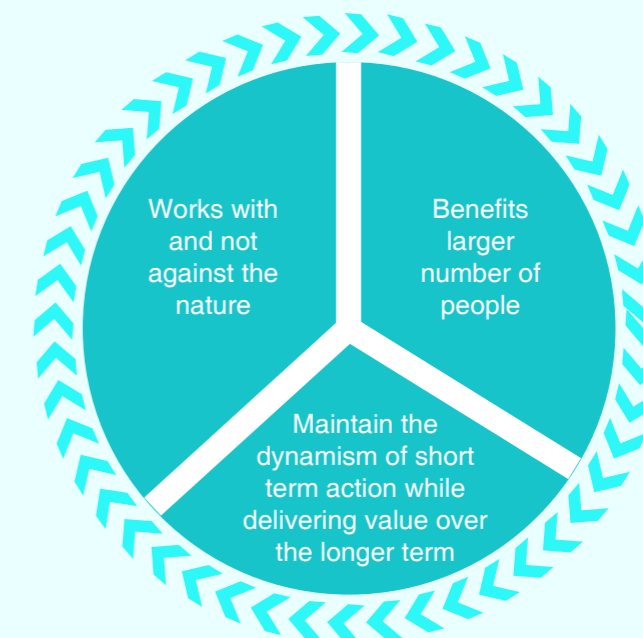
We function in close collaboration with environment experts to gauge current and potential impacts on local biodiversity. By focusing on preservation and restoration of ecosystems, we attenuate noise impacts, reduce dust pollution, increase green cover, retain soil cover and reduce soil erosion. We also restore mine areas with proper slope, drainage and plantations of native species. Watershed structures such as bunds, gully plugs, contours and terraces are a part of our mine designs that help in conserving topsoil. We constantly monitor ambient air quality, water quality and noise levels in areas surrounding our mines.

We have formed volunteer task forces for patrolling forests since this an important step to preserve ecology. We have volunteering taskforces to patrol forests and also aid the local forest departments in conservation and rejuvenation initiatives. For all our mines, mining plans and closure plans are approved by regulatory authorities. We make sure that all our mined out areas are scientifically afforested so as to enhance biodiversity. None of our plants are in or close to protected or reserved biodiversity hotspots.

We harvest rainwater in mining areas. We avoid use of groundwater / water from natural resources for our mining activity.. Most of the water requirement at mines is fulfilled through the harvested rainwater. We have created ponds to collect water and this is helpful for cultivation of fishes.

XYNTEO India 2022

India 2022 is a collaborative approach between Xynteo, corporate partners like HUL, Shell, GE, Cyient, TechnipFMC, Hindalco and not for profit organizations like TATA Trust to effect sustainable business across multiple impact tracks across sectors such as mining, healthcare, responsible energy and waste management. The impact track of Sustainable Mining is being led by Hindalco. This collaborative approach has a vision to develop a “future ready” business model that demonstrates a fine balance between social and environmental factors, and sound economic considerations for the development of mining areas. It is our mission to create best-in-class sustainable practices recognized as a model for India’s mining.



Sustainable Practices and Technologies in Mining

A) Surface Miners in Coal Mine – This technology has been developed for eco-friendly Mining. The new features of the Surface miners includes less dusting due to water sprays on cutting drum. It can replace drilling, blasting and loading. It gives continuous and pre-crushed production. This can be used in selective mining and has a clean & smooth floor from scraper blade. It gives high recovery and less dilution.

B) Ripper Dozer – This technology has been developed for eco-friendly mining. The features of the Ripper Dozer are useful in continuous & pre-crushed production. It replaces drilling, charging & blasting. It can be used in selective mining and has a reduced noise, dust pollution and ground vibration.

Supply Chain Management

We are one of the leading non-ferrous metal company in the country with significant size of operations. We produce value added products as part of our downstream operations. We believe in implementation and usage of superior technology. This helps us to produce superior products while ensuring reduced environmental footprint. While keeping our focus towards circular economy, we recycle scrap aluminium as part of our operations.

B. Arun Kumar

President (Downstream Operations-Aluminium)



Supply Chain Management

By virtue of our industry, we have an expansive circle of supply chain that encompasses raw material suppliers, transporters, and service providers. We are associated with more than 14,000 supply chain partners, out of which about 2,450 are a part of Copper business and rest belong to the Aluminium business.

We believe in creating value for all of our stakeholders. Our supply chain partners are a significantly important stakeholder group for us. Our customers rate supply chain as a top priority while thinking of material aspects of our business, and our business strategy is in sync with the same. This is well demonstrated by our “Supply Chain and Procurement Policy”, wherein we express our commitment to support our supply chain partners to adopt the ABG Sustainability Framework policies and standards. As part of our policy we

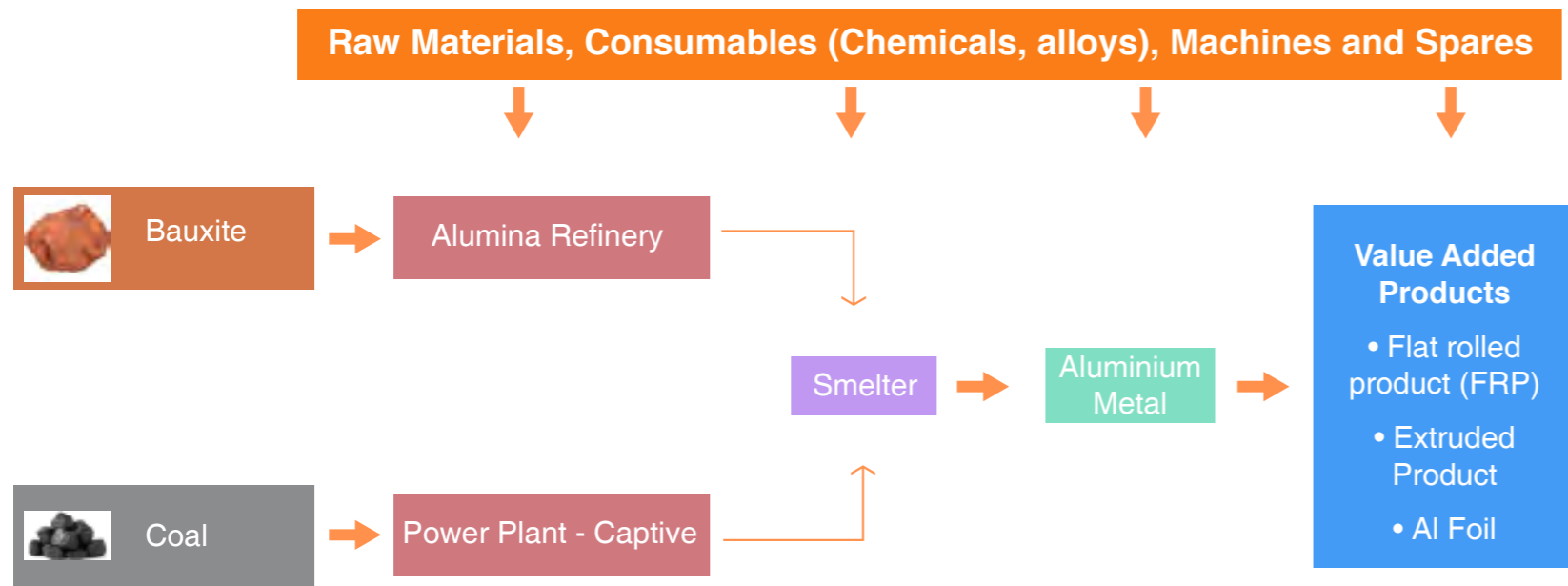
promote resource conservation, use of alternative materials and renewable energy, water stewardship, safety, health, respect for human rights, and elimination of child and forced labour across the supply chain. Through this, we help our supply chain partners to achieve long-term sustainability which in turn will benefit us, our value chains and our planet.

During the reporting period, our overall spends of more than INR 36 crore⁶ in supply chain & procurement, contributed significantly to the local economy. The logistics and transport part of our supply chain largely includes local suppliers thereby creating indirect employment opportunities. A workforce of about 176 employees is dedicated for our procurement operations, and that of about 160 employees is dedicated for logistics operations.

Supply Chain Code of Conduct

As part of our long term sustainability approach, we expect our supply chain partners to adhere to our Supply Chain of Conduct in letter and spirit. We carry out periodic assessments of our suppliers and vendors with regard to the Code.

- Anti Corruption and Anti Bribery.**
- Statutory Compliance with all applicable laws, rules and regulations.**
- Fair Treatment to its Employees, and Health & Safety of its Employees.**
- Recognize Employees Right to Privacy & Personal Dignity.**
- Forced Labor (ensure fair remuneration and working hours set forth by applicable laws) and Child Labor (prohibited).**
- Compliance with Environmental Regulation.**
- Business Ethics (adhering to policies, best practices, guidelines and internal controls at Hindalco).**



⁶ Includes cost of raw materials, consumables, spares and repairs, equipment and material handling expenses, and capital expenditures – Obtained from CFD

Supply chain risk assessment:

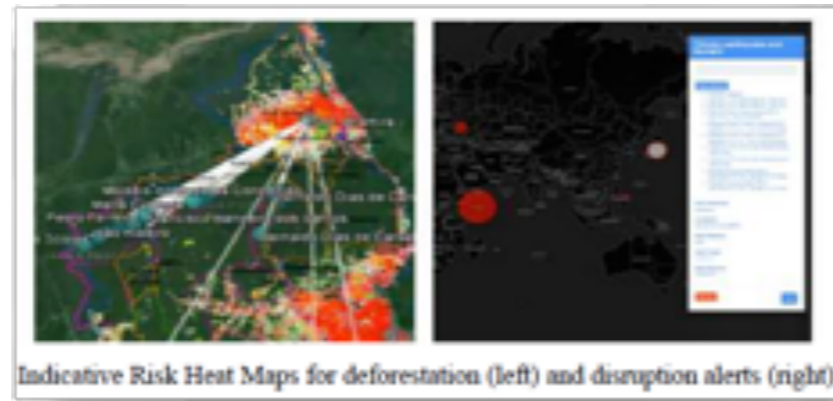
In order to ensure sustainable supply chain operations, we have developed a robust supplier risk management process. The process helps us to assess and manage supplier risk across five broad parameters: Health & Safety, Environment, Labor & Social aspects, financial aspects, and market dependency. The risk score for each of the supplier under assessment is calculated based on the above parameters. The score is then analysed and interpreted to understand the supplier risk. This in turn helps us to improve upon our sourcing strategies and reduce exposure to the risks. During the reporting period, we undertook supplier risk assessment of 150 suppliers, this included new vendors as well as our existing vendors.

Sustainability criteria, including environmental, human rights and social criteria are used to screen all our new suppliers to ensure sustainable supply chain operations. We are expanding our scope of the risk assessment to include more suppliers with goal to cover 100% of the existing suppliers. We have also adopted the practice of including our Tier-2 suppliers in the risk assessment process. We have integrated the process into our vendor registration framework.

We aim to reduce the commodity-wise supplier risk scores each year. Risk assessment leads to more sustainable vendor-mix decisions. It also helps identify risk areas where new vendor development or greater vendor collaboration may be required for long-term viability.

Mapping of Climate Change Risks with Supply Chain Risks

Our business operations are resource intensive and we understand the magnitude of impact that climate change



Indicative Risk Heat Maps for deforestation (left) and disruption alerts (right)

can have on our business operations. Keeping this in view, we have implemented a pilot project for mapping supply chain risks against climate change risks such as water risk, biodiversity risk etc. We have an expert third party agency on board to help us in the process. We have developed a Risk Visualization Map that can help us identify climate change related risks for our operations. This also helps in more accurate calculations of supply chain sensitivity to disruptions, enabling better decision making for procurement.

Key initiatives for Logistics

We have demonstrated our commitment to sustainability through various initiatives taken up during FY 2017-18 for improving operational efficiency across our supply chain. Our key achievements for logistics operations are as follows:

- Improvement in Sustainability KPIs:
 - Increase in rail coefficients;
 - Reduction in GHG Emissions;
 - Reduction in weighted average road leads;
 - Reduction in weighted average rail leads;
 - Rationalization of port shipments; and
 - Development of plant logistics infrastructure – Lifelines, Radio Frequency ID (RFID) trackers, bypass route for coal movement etc.
- Digital tracking of road and rail -for FG & Alumina- through GPS & GSM.
- Warehousing near customer location- reduction of distribution leads.
- Consolidation of warehouses.
- Prevention of transit damages through unitisation and lashing of consignments.
- Enforcement of safety norms with transporting contractors.
- Rolling out of logistics SOP under HMF in all plants.

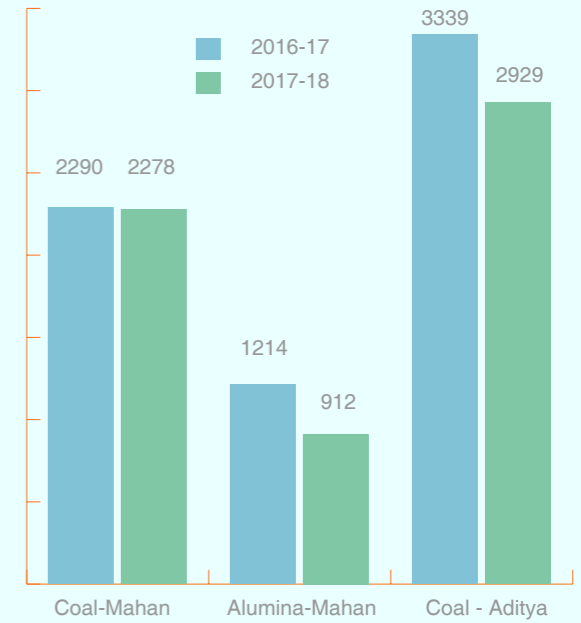


Supplier Risk Management Process

Warehouse Consolidation

Our operations are heavily dependent on the smooth functioning of supply chain. Any supply chain disruption can cause a major disruption in our manufacturing operations. Acknowledging this fact, we thought of improving our supply chain operations through consolidation of warehouses. As part of the initiative we undertook mapping our warehouse locations across the country and their distances from respective plant and mine locations. As a result we came up with an improved distribution of warehouse locations.

At the start of the reporting period, we were operating through 22 warehouses with area footprint of 5.93 sq. ft. / MT. By the end of FY 2017-18 we were operating through 17 warehouses with a plan to reduce area footprint to 5.86 sq. ft. /MT in FY 2018-19. The initiative has resulted in 6.3% reduction in cost and increased throughput by 1.33%.



CO₂ emissions (per tonne-km) reduction due to change of transportation mode from road to rail (As per EN16258)

Mode change from road to rail

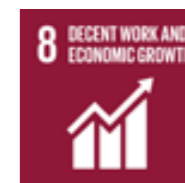
In order to improve overall material movement efficiency across the supply chain, we analysed the material movement with respect to mode of transport. We re-defined the coal movement and alumina movement at Mahan, and coal movement at Aditya. We improved the performance during FY 2017-18 to reduce rail and road lead across these locations. As a result, we were able to reduce CO₂ emissions for these material movements.

Health & Safety



Hindalco's commitment to safety is evident in its strong H&S organizational structure and the adoption of the highest international safety standards. The apex safety board designs the strategy, which is executed at every site by the unit safety board. Multiple safety task forces at each site facilitate the effective implementation of safety initiatives. Progress is continually monitored using a robust software application and appropriate timely actions are taken. Owing to the nature of our operations, we have implemented strict mechanisms and policies aimed at achieving zero fatalities and injuries.

Sunil Bailwar
Head Safety



Health and Safety

Highlights of FY 2017-18

- # Health & Safety given 10% weightage in Key Responsibility Areas (KRAs) and goals of every employee
- # Implementation of online H&S data management through Enablon (Sustainability data management tool)
- # 17 safety standards implementation at each plant
- # Corporate cross-entity EHS audits conducted annually

At Hindalco, we embrace safety as an integral part of our value system. We track safety KPIs across locations with the intention of imbibing a culture of “Zero Harm”. These KPIs are reviewed by the MD as part of our monthly apex safety board meetings. Our senior management’s commitment to this value is evident through the safety policy signed by our MD as well as a well-defined H&S organization structure responsible and accountable for deployment of the policy. Safety lies at the core of the business of Hindalco. A small but significant example of it is that we start every meeting with the safety talk and this practice is followed across the organization.

We ensure that all of our plants comply with an EHS management standard that is seamlessly integrated into our business operations. A total of 17 safety standards and guidelines have been rolled out. We aim for every individual working with H&S in each plant to undergo a NEBOSH certification so as to enhance competency and skills. During the reporting period, 40 individuals have completed the NEBOSH certification. Each unit has six safety sub-committees. Also various task forces related to functional health and safety requirements implement technical standards. We take steps to inculcate a sense of ownership for safety-related aspects in each plant and the line managers are held directly accountable for the implementation of H&S initiatives.

At the corporate level, our Apex Safety Board is chaired by the MD and meets once every month to discuss safety

matters concerning all units. Furthermore, each unit has a separate safety board that is chaired by the unit head and discusses reports from functional heads. The unit safety board has equal participation of management and worker representatives. Together, these activities ensure that the highest global standards of safety are met at each unit.

We have taken initiatives to include H&S as part of individual performance. Employee performance is also gauged using the H&S KRA and goals set at the beginning of the financial year.

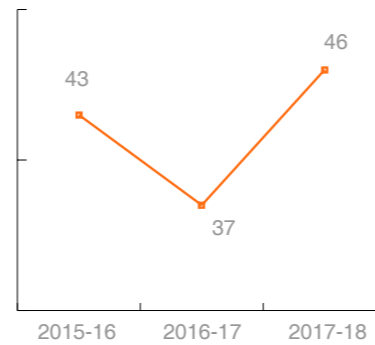
Our online sustainability data management tool, Enablon, helps us monitor and track data related to health & safety. This facilitates EHS management and compliance challenges such as environmental analysis and reporting, management of air, water, waste and chemicals, regulatory compliance, worker health & safety, and incident loss prevention.

We have a well-defined process to identify health and safety risks related to our operations. Job Safety Analysis (JSA) is

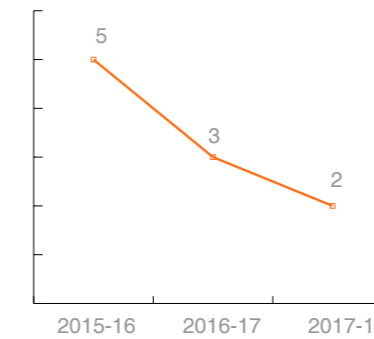
used for human intervention activity-related risk identification and Hazard and Operability Study (HAZOP) is used for process related risk identification. Accordingly, a mitigation plan is prepared for every identified risk. All JSAs are linked to SOPs and Standard Maintenance Practices (SMPs). We ensure that every employee is provided with training on JSA, SOP, and SMP.

During the year, we undertook dedicated measures to improve safety standards across all units such as:

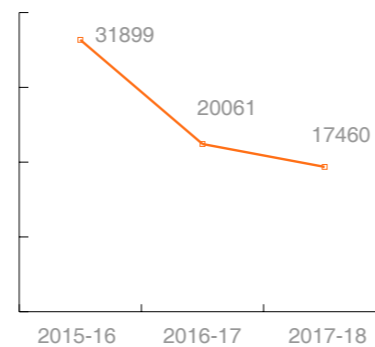
- Road Safety guidelines and infrastructure related to commuting to and from work were implemented in road safety such as buses and small vehicles with seatbelts, cameras, GPS and driver anti-fatigue detection.
- Jobs were categorized according to safety hazards.
- Safety KRAs for both small and large contractors were identified.



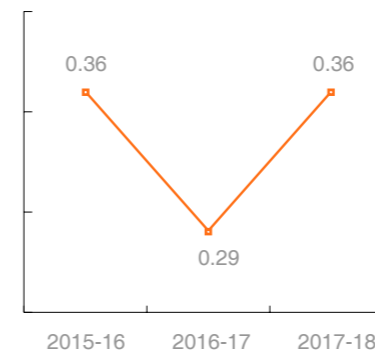
Lost Time Accidents (Reportable)



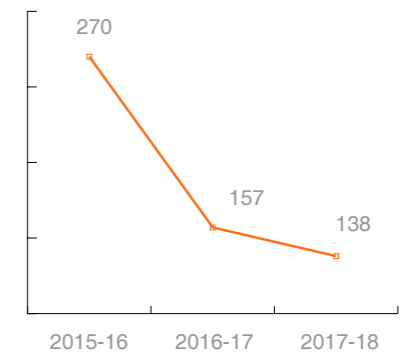
Fatalities



Man days lost



LTIFR



LTISR

Key safety performance parameters

A safety professionals' meet, attended by senior delegates including the MD, was conducted at Gare Palma mines during February 2018. The main aim of this meet was to devise safety action plans for FY 2018-19. Other points discussed during the meeting were best international Safety Standards, advances in confined space entry safety, safety in underground mines, ergonomics, arc flash safety, lifeline and safe access solutions, and working at a height. Also best safety practices and nudging into safety was thoroughly discussed during the meet.. As a step towards zero harm for contractual employees, we are in the process of formulating contractor safety management standard and implementing the same in coming years. The standard will have safety parameters for evaluation of contractors before engaging with them. There will be provisions for pre-bid, post-bid, and pre-induction kick-off meetings focused on health & safety.

Safety Training

Owing to the nature of our operations, we understand that employees are exposed to various occupational health risks. To mitigate this, we conduct frequent training sessions that provide employees with safety skills. We ensured that 100% of our employees, including contractual workforce, were provided with H&S trainings during the reporting period.

We set specific targets for health & safety trainings. For all employees and contractual workforce, the target is 3 man-days per employee per year. During the reporting period, we provided more than 29 hours of safety trainings per employee. The total safety training hours by category of employees is as follows:

Category	Training man-hours
Management staff	210,908
Permanent workmen	476,147
Contractual workforce	895,427

Business-wise (FY 2017-18):

	Aluminium & Mines 2017-18		Copper 2017-18	
	Employees	Contractor	Employees	Contractor
Total no. of lost time accidents (Reportable Accidents)	21	17	5	3
Total no. of fatal accidents	1	0	0	1
Total no. of man-days lost	10,456	807	142	6,055
Lost Time Injury Frequency Rate (LTIFR)	0.42	0.25	1.84	0.46
Lost Time Injury Severity Rate (LTISR)	207.46	12.03	52.15	926.66
Total no. of Minor Injuries (Non-reportable Accidents)	222	386	18	42
Total Man-hours worked (in Million)	50.4	67.1	2.72	6.53

Health Awareness

We take steps to assess the occupational health of our employees and contractors. Qualitative Exposure Assessments (QIEA) and Quantitative Exposure Assessments (QnEA) are being carried out to assess the exposure of the workforce to pollutants at workplace. During the reporting period, there were no reported cases of diseases linked to occupational activities such as pneumoconiosis, noise induced hearing loss etc.

We conduct regular awareness programs on health and hygiene for employees and their families. We also arrange medical camps regularly and appropriate medical measures are suggested to affected employees. They are also made aware of lifestyle diseases such as diabetes and hypertension along with preventive measures. We also provide the following facilities to our employees:

- **Work-related stress management advice and assistance.**
- **Fitness facilities such as gymnasium, and yoga classes.**
- **Flexible working hours for child and elderly care.**
- **Regular health check-ups.**
- **Inputs, assistance, and support for healthy lifestyle.**
- **Ergonomics study and training.**

Employee Stewardship



We at Hindalco drive business sustainability initiatives through an inclusive approach involving all levels of employees. Our long-term success rests on all round development of our employees to make them aware of and committed to our sustainability initiatives. We understand the impact of our business activities on the society, environment & other stakeholders and are focusing on continual improvement in all areas through investment in benchmarking, appropriate technologies, awareness creation, capability building and implementation of necessary systems and processes. Our HMF acts as a comprehensive guideline and helps formulate appropriate sustainability strategies and drive effective implementation at all levels. It enables us to communicate to our employees the linkage between ABG values, our code of conduct and our sustainability strategy and initiatives.

In India, we have an experienced and skilled workforce comprising more than 24000 direct employees, of which almost 70% are operatives at a shop-floor level. Our workforce is trained

to produce the highest quality of products using the latest technology and to stand by our Purpose: "We Manufacture Materials that Make the World Greener - Stronger – Smarter".

Training and development is well integrated with business objectives. Competencies are aligned and built through formal training programs (both classroom and e-learning), training, mentoring and peer-to-peer learning. We have been providing training for more than 4 man-days per employee per year covering Behavioral and Functional/Technical aspects.

Our HR practices aim to attract, develop, engage and retain the best available talent. We hire young professionals (Engineers, CAs, MBAs etc..) directly from the best campuses across the country and then provide them one year of structured training inputs before placing them in regular roles. Our managerial attrition is less than 5%, which is among the lowest in the country.

Employees are given opportunities to utilize their full potential. The Company fosters a culture of ownership through appropriate empowerment so that people don't feel they are working 'for' the organization but 'with' the organization. Our employee engagement scores have been continually increasing and when last measured in 2017 were at more than 80%. We pride ourselves in being equal opportunity employers and have recently appointed the first woman plant head in the Group. Diversity is an important aspect for us as we operate globally and compete with our global counterparts. We have also identified and developed talent for all critical managerial positions across locations and functions through an extensive exercise and review the same every 6 months.

Our well laid-out performance management system fosters organizational alignment through robust goal-setting, development orientation through regular feedback and fair rewards through a transparent calibration process. We drive meritocracy by participating in regular market bench-marking exercises and linking rewards to team and individual performance along with market trends and practices. Occupational health and safety matters are particularly critical in the metals & mining sector and we focus on undertaking regular health check-ups, providing quality medical services and insurance cover for all our employees including the contract workforce.

Samik Basu
Chief Human Resource Officer



Employee Stewardship

The key element of our human capital management is our 'People First' policy. This helps us closely collaborate so as to achieve our business objectives. Our values of integrity, commitment, passion, seamlessness and speed enable us to be ahead of the curve in our sector. The HR 2020 business objective plan, aimed at integrating human capital with various business functions, is under implementation.

We encourage our employees to embrace additional responsibilities by taking calculated risks in business decisions. Employee skills are supplemented with a variety of skill development opportunities so as to be able to provide innovative solutions to business problems. Consequently, employees are empowered and adopt an intrapreneurial mindset.

We ensure that our HR policies and procedures are regularly reviewed by the management at both plant and corporate levels. Necessary actions for any enhancement are then taken accordingly.

Our employee strength in India during the reporting period was 23,898 with on-roll workmen forming the bulk of our operations at about 75%.

Our employee value proposition is to provide them with a world of opportunities (AWOO EVP):

- Entry level: career progression, roles and responsibilities
- Learning: development and capacity building
- Turning a New Leaf (for employees approaching superannuation)
- Rewards: monetary and non-monetary appreciation
- Overall well-being: enriching life in 12 townships

Highlights of FY 2017-18

- # Employee satisfaction survey score of 87% (conducted in FY 2016-17)
- # Team Vibes employee engagement index of 88%
- # Employee attrition rate of 4.60%⁷
- # 4.7% of women employees in management
- # 568 new hires (management and staff) across all locations
- # Parental leave availed: 12 women employees, with all of them joining back



Manpower details – Permanent	Aluminium and Mines	Copper	Total
Total Manpower Strength (Management Staff and Workmen)	22,375	1,523	24,537
Number of Management & Staff	7,193	443	7,636
Number of Management & Staff (Male)	6,844	424	7,268
Number of Management & Staff (Female)	349	19	368
Number of on-roll workmen	15,821	1,080	16,901
Number of on-roll workmen (Male)	15,733	1,075	16,808
Number of on-roll workmen (Female)	88	5	93
Number of contract workmen	24,325	1507	25,832
Number of contract workmen (Male)	23,554	1446	25,000
Number of contract workmen (Female)	771	61	832

Age group (years)	Management	Staff	Total
>50	1140	573	1713
30-50	2380	2086	4466
<30	508	949	1457
Total	4028	3608	7636

Category	Aluminium and Mines	Copper	Total
Total employees hired	507	61	568
Employees hired – Male	454	56	510
Employees hired – Female	53	5	58
Employees hired (>50 years old)	4	1	5
Employees hired (30-50 years old)	113	15	128
Employees hired (<30 years old)	390	45	435

⁷ Employee attrition includes only resignations

Category	Aluminium and Mines	Copper	Total	Rate ⁸
Total employee turnover	772	30	802	10.50%
Employee turnover – Male	754	27	781	10.75%
Employee turnover – Female	18	3	21	5.70%
Employee turnover (>50 years old)	480	6	486	28.37%
Employees turnover (30-50 years old)	141	17	158	3.53%
Employees turnover (<30 years old)	151	7	158	10.84%

Employee Care and Human Rights

Our employees are key contributors in our journey towards achieving organizational excellence. The ABG, of which we are a part, comprises a workforce of over 120,000 employees from 42 nationalities in diverse business functions. We are an equal opportunities employer and believe in propagating a work environment without any form of discrimination. Employee wages are entirely a function of competence. We encourage innovation and believe in providing opportunities to millennials. Hence, we observed an increasing number of new hires during the reporting period.

All our operations in India have worker unions and more than 54% of the total workforce is covered under the provision of collective bargaining. We uphold the right to collective bargaining of our workers and ensure full transparency and trust with our entire workforce. We make long-term meaningful relationships with the unions and all settlements are governed as per the prevailing labour legislation at the national and state levels. Our agreements with trade unions cover all relevant health and safety topics for operations at respective locations. None of our operations was identified as having significant risk of violation of right to collective bargaining.

We provide our permanent employees with benefits such as medical insurance, residential accommodation at plants, group personal accident insurance and benefits as per defined benefit plan obligations. All our permanent employees are eligible for parental leave. As a result of our employee-friendly policies, all those who availed parental leave during the reporting period are currently employed with us after 12 months of return to work.

We notify all our management staff and workmen about any significant changes in operations. The management staff is notified at least 3 months in advance whereas workmen are

notified as per requirements of local regulations. We train unionized employees on aspects such as skills, business objectives and values so that they can better contribute to the Company and the Group. Over the years, we have developed strong industrial relations through positive dialogue and a sound base for productivity improvement.

We ensure that all our units are 100% compliant in terms of minimum wages, payment of wages, Factories Act and all other prevailing regulatory requirements.

Human Rights issues such as child labour, forced or compulsory labour, sexual harassment and discrimination have been incorporated under related policies, Code of Conduct and practices. We extend these policies to all employees, contractual employees and other partners across our value chain. All grievances are addressed appropriately. During FY 2017-18, there were no grievances related to human rights violation or discrimination at any unit. All our security personnel are aware of basic human rights and are trained on organizational policies and procedures.

Performance Evaluation Approach

Poornata, our performance management system, follows a goal-focused, process. We review performance against job goals set at the beginning of the financial year, via a two stage review process. We ensure that all employees participate in at least one annual performance review. We motivate our employees through various recognition tools such as 'PRIDE' – project based team and individual rewards; 'PRAISE' – an online individual recognition platform; ABG Awards which is recognition at group level; Long service award. Furthermore, we have awards at the unit level such as 'Instant Shabashi Award', 'Bhagidari Award' and employee of the month, quarter and year.

Learning & Development

We have a robust Training Needs Identification (TNI) process that factors in:

- Review and brainstorming of organisation-wide learning activities with MD & CHRO
- One-to-one discussion with business heads and unit heads on business requirements
- Inputs from unit HR teams on unit-specific competency focus
- Analysis of "My Development Plan" of individual employees

The TNI process is an integral part of our annual performance management system that is supplemented by a training planner at the business level after seeking requisite inputs.

For the training of senior leadership, we have associated with Gyanodaya (ABG's exclusive leadership center) to provide high-quality learning and leadership solutions. All learning interventions are in line with our strategic vision which helps the leadership team to deliver results. A few of the exclusive leadership programs are:

- Accelerated Leadership Program – guidance for leaders to step up
- Chairman series program – to enable leaders to deliver on business strategies
- Functional Academy – to enhance functional competencies of leaders

We have defined behavioural competencies and skills at each level. All programs are designed on the basis of a set framework. We also have initiatives focusing on our culture and life-enhancing learnings such as:

- Behavioural competency programs (Vision & Strategy, Business Acumen, Team work & Collaboration, Develop Oneself & Others, Innovate & Improve, Customer Focus, Get Results, Communicate to Influence & Engage)
- Life enhancement programs (Turning a New Leaf – a week long special intervention for retiring employees with spouse, Gender Intelligence – to educate employees for gender sensitization)
- Wellness Programs (Live well Series I – awareness program for physical wellbeing, Live well series II – awareness program for emotional wellbeing)

⁸ Employee turnover is as per GRI Standards which includes resignations, retirement and termination.

Category	Aluminium and Mines	Copper	Total
Total training Man-days	124,519.5	1,842	126361.5
Training Man-days – Management	40,866.75	932.5	41,799.25
Training Man-days – On-roll workmen	83,652.75	909.5	84,562.25

Category	Aluminium and Mines	Copper
Average training Man-days – Male	6.98	1.20
Average training Man-days – Female	3.66	3.02

To measure effectiveness of employee training and development, we have organization-wide employee surveys called 'VIBES' and 'Team VIBES'.

Diversity at Workplace

We have focused on developing gender diversity over the past few years. Women constitute 4.7% of our management staff. We continue our efforts towards increasing gender sensitivity through gender intelligence sessions for various grades of employees.

We support women employees through self-motivation programs during critical phases of life, developing a financial acumen, establishment of a stringent Prevention of Sexual Harassment (POSH) policy and a robust maternity policy.

In Hindalco we are following "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013" in letter and spirit. We have Internal Complaint Committee (ICC) across all our units and office locations as per the provisions of the Act. The committee members are changed as per the provisions of the Act from time to time. We have provided investigation process and procedure training to all the committee members through external experts. Further, refresher input is provided to them on regular basis. All the ICC Circulars are very well circulated across the communication mediums so as to reach all our employees. The circulars are displayed across units and offices at the prominent places for the visibility of all concern. For the awareness of the employees, we have e-learning course on the subject which is mandatory for all employees. The course is readily available through our Gyanodaya e-learning portal. The course is quite comprehensive and provide right insight to the employees about the Act. Post the completion of learning session, employees are provided with a course completion certificate.

Our maternity leave policy has a provision for women to travel with newborns until they reach the age of 2. We also facilitate comfortable travel for women employees during pregnancy. Owing to these efforts, women have progressed to senior level management positions within the organization.

	2015-16	2016-17	2017-18
Women Employee in Management Staff	3.32%	4.6%	4.5%

Hindalco Technical University

Hindalco partnered with global think-tanks and organizations for the development of a technical university – Hindalco Technical University (HTU). It was inaugurated in Nov-2017 with the following objectives:

- To be a pillar in Hindalco's strategy to achieve higher productivity
 - To be a central platform for standardized technical training
 - To prepare Hindalco for future technical challenges
- HTU programs are delivered in the following streams:
- School of power
 - School of smelter (Aluminium and Smelter)
 - School of mining
 - School of refinery
 - School of downstream
 - School of maintenance practices (Mechanical, Electrical, Control and Instrumentation, and Quality Systems)

In order to achieve this objectives, the University has zeroed-in on certain focus areas:

- Technical training: conducting instructor-led and e-learning trainings
- Technical summit: smelter, alumina, power, downstream and mines
- Knowledge management
- Techno-fairs and events
- Developing SMEs

Key highlights of the university are:

- 53 learning events conducted
- 1,350 participants
- 146 training days
- 3,625 total man-days

Some of the programs conducted so far are:

- Alumina Refinery Workshops
- Smelter Operation workshops
- Advanced Analytics by IIT Chennai
- Reliability Engineering for downstream
- Industrial Hydraulics workshop by Bosch
- Vibration analysis, bearing maintenance technology, sealing solution technology by SKF
- Lean manufacturing workshop
- Six sigma green belt workshop
- Electrical reliability and safety through conferences and seminars
- Partnered with SKF, IIT Chennai, Mahindra, SNTI and BMGI





In our march towards poverty alleviation, we as a nation have made phenomenal progress. Our Government with a sense of resoluteness has ushered in transformative high impact projects to lift people living at the bottom of the pyramid. Governance and reformist policies at the development level have helped make an enormous difference to them. We in the Aditya Birla Group, have been and continue to be absolutely committed to inclusive growth. We also reaffirm our pledge to the SDGs to end poverty in all its dimensions and help work towards an “equal, just and secure” society. Through the Aditya Birla Centre for Community Initiatives and Rural Development, we are engaged in 5,000 villages, reaching out to 7.5 million people. Of these, Hindalco reaches out to 1.2 million people across 726 villages and 31 urban slums spanning 11 States. Our focus is on healthcare, education, sustainable livelihood, infrastructure and social reform.

Rajashree Birla
 Chairperson, Aditya Birla Centre for Community Initiatives and Rural Development

Community Stewardship



Community Stewardship

We aim to contribute to the social and economic development of the communities and weaker sections of society. We identified education, healthcare, sustainable livelihood, infrastructure development, and social reforms as focus areas for community stewardship. At all of our operational locations we engage with local community, assess impacts of our business operations on those communities, and take up developmental initiatives accordingly.

As part of the governance framework, we have a CSR policy conforming to the NVGSEE responsibilities of business released by the Ministry of Corporate Affairs, Government of India. Further the board-level CSR committee has one independent director. CSR initiatives are reviewed regularly and progress is reported every month in the monthly review meeting. Feedback received in the forum is incorporated. The CSR Committee meets twice a year. Executive Committee regularly reviews the progress of the CSR projects on monthly basis. The CSR committee reviews the corrective actions against the findings of the internal audits and assessments studies conducted periodically. This helps the CSR team in getting timely inputs to strengthen CSR interventions.

The composition of our CSR committee as on 31-March-2018 is represented as follows:

- Mrs. Rajashree Birla, Chairperson
- Mr. Jagdish Khattar: Independent Director and Member*
- Mr. Askaran Agarwala, Member
- Mr. Satish Pai, Member
- Mr. D Bhattacharya, Member
- Dr. Pragnya Ram, Group Executive President, Corporate Communications and CSR, Permanent Invitee

*Mr. Jagdish Khattar has resigned from the Board w.e.f 04-May-2018. Mr. Y. P. Dandiwala: Independent Director was inducted as a member of the CSR Committee in the meeting of the Board held on 16th May, 2018.

During the reporting period, our CSR spend was INR 31.09 crore, which is 2.33% of our net profit. In addition, we have spent INR 5.18 crore on CSR activities in Odisha under Enterprise Social commitment (ESC) and 8.42 crore under Utkal Alumina & DHIL. Furthermore, we have mobilised INR 83.31 crore through the various schemes of the Government, acting as catalysts for community development.

Geographic Spread of our Initiatives

For over half a century, our work in the remote locations in India is helping over millions of people to enhance the quality of life. Our community engagement spans over 726 villages and 39 urban slums. Our CSR work is in proximity to our 17 manufacturing units across 11 states in India. We reach out to a rural population of more than 12.18 lakh through our initiatives. In order to achieve greater impact and optimum utilization of available resources, we work in synchronization with government agencies wherever possible. This helps to create value for beneficiaries and encourage social reforms.

West Bengal, Jharkhand, Madhya Pradesh, Chhattisgarh, Odisha, Uttar Pradesh, Gujarat, Maharashtra, Karnataka, Telangana and Kerala.

Towards Inclusive Growth

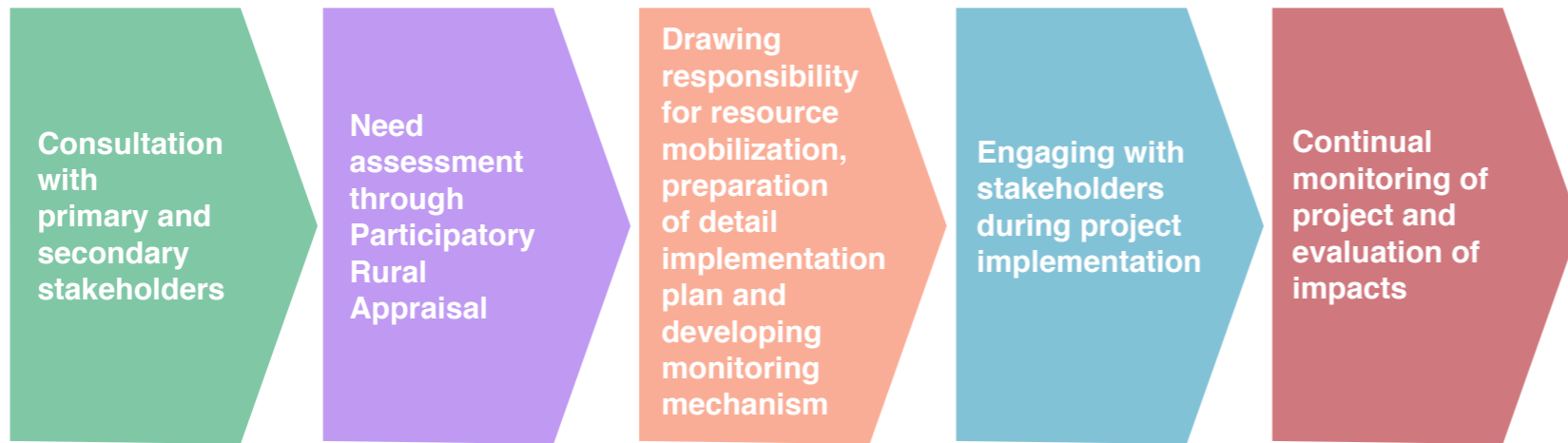
We have aligned our CSR activities to be coherent with the SDGs. Developmental needs are identified in consultation with the community in a participatory manner. Based on needs identified, project initiatives are structured. Implementation of selected initiatives is based on the participatory rural appraisal mapping process. Prior to the commencement of project, the baseline study is carried out. This study covers various parameters such as health indicators, literacy levels, sustainable livelihood processes, and demographic data. All projects are assessed against targets as per agreed framework. Progress is monitored every quarter. The sustenance of initiatives is one of the important aspects during design of the project. Each project is designed with a handover plan.

Our CSR engagement in line with the vision articulated by our chairperson Mrs. Rajashree Birla aims at inclusive growth. The oversight, guidance and monitoring by Dr. Pragnya Ram; Group Executive President (Corporate Communications and CSR) ensures that all of our activities fall in step with the vision.

We have a bottom-up approach for need assessment and a priority-based annual/rolling plan is prepared for the community. We recourse to the participatory rural appraisal mapping process. We are partnering with government and other developmental agencies to play the role of catalysts in the implementation of various developmental programs. We encourage our employees for volunteering within the company and recognize their valuable contribution. We are committed to elevating the quality of life and gain trust of the community. Collectively our teams at Hindalco, our Managing Director, HR heads and Unit heads at various locations endeavor to lift the burden of poverty from the shoulders of more than a million of underprivileged people leaving in villages, we operate.

Bipul Chatterjee,
Head CSR





Education

At Hindalco, Education initiatives have 5 major focus areas

- Preschool Education: Balwadies, play schools, crèches.
- School Education Program: Enrolment awareness programmes, events, formal schools.
- Education support programme: Library, NFE, Career guidance etc.
- Vocational & Technical Education: Focus on Skill development, Computer training
- School Infrastructure: New School Building construction, Renovation and extension of school buildings, Construction and repair of school toilets and urinals

We provide science teachers to Government schools to help students with improved quality of education. We have started “Mahan Jyoti Scholarships” to help meritorious but underprivileged girl students and encourage them to continue higher education.

We further contribute significantly towards education through various programs. We have sponsored and facilitated 488 students from Muri, Belur, Belagavi, Lohardaga, Kathautia, Dumri and Renukoot to the ITI's/ Pan ITIs, Rudiseti-Silli, Ramakrishna mission Belur, SRI-Ranchi and our Aditya Birla Technology Park at Muirpur, for semi-skilled job oriented training.

Expenditure on Education

	Allocated (INR Lakh)	Actual (INR Lakh)
Pre-School Education	12	14.15
School Education Program	1090	1235.22
Education Support Program	40	43.80
Vocational & Technical Education	35	45.66
School Infrastructure	146	153.74

Impact of our initiatives in Education sector

Initiatives	Unit	FY 2017-18
Anganbadies & Balwadies	No.	112
Students in Anganbadies & Balwadies	No.	4,876
Schools	No.	21
Students	No.	8,694
Rehabilitation of Malnourished Children	No.	423
Distribution of educational/ uniforms/ sports materials	No.	23,393
Construction/ repair and maintenance of school & fixtures	No. of schools	83



Health Care

Impact of our initiatives in Healthcare

Our health care initiatives include projects related to

- Preventive Health Care: Immunization, Pulse Polio Program.
- Curative Health Care Programme: To run Hospitals, Dispensaries and family welfare centers, Health camps, Eye camps, T.B etc.
- Reproductive and Child health: Mother and Child health care, adolescent health care
- Quality/Support programme: Treatment of BPL/ old age patients, Support to differently abled etc.
- Health Infrastructure: renovation of health centers and issues related to water and sanitation.

Our key initiatives towards community healthcare included focused adolescent health talk programmes for girls and rural women. We further made efforts to improve drinking water quality and sanitation.

In collaboration with the Swachh Bharat Abhiyan, we helped to set up toilets across villages surrounding our plant operations. Besides these, we helped communities avail Government schemes and contributed the shortfall from our own funds to build toilets.

Expenditure on Healthcare Initiatives

	Allocated (INR Lakh)	Actual (INR Lakh)
Preventive Health Care	90	105.36
Curative Health Care program	185	220.37
Reproductive and Child Health	30	36.71
Quality / Support Program	30	34.18
Health Infrastructure	190	224.82

	Unit	FY 2017-18
Hospitals	No.	8
Dispensaries/ Clinics	No.	15
Patients benefitted from hospitals/ dispensaries/ clinics	No.	104,361
Medical camps organized	No. of Camps	2,010
	No. of Beneficiaries	128,429
Children immunized	No. of Beneficiaries	216,808
22 Family welfare center to provide mother and child healthcare	No.	77,695
Adolescence health care	No of Girls registered	4,729



Sustainable Livelihood

We help the community to improve their livelihood by supporting agricultural and horticultural activities and help farmers reap a better harvest. Farmer training programmes are arranged regularly to enable them be in sync with the advanced agricultural practices. As part of training programs we help in setting up demonstration plots, carrying out soil testing, providing quality seeds, tutoring them in inter-cropping etc. We also help them to conduct field visits to the agricultural universities.

Expenditure on Sustainable Livelihood Projects

	Allocated (INR Lakh)	Actual (INR Lakh)
Agriculture and Farm Based	42	52.13
Animal Husbandry	6	8.70
Non-farm& Skills Based Income generation Program	52	58.27
Natural Resource conservation programs & Non-conventional Energy	153	197.97
Livelihood Infrastructure (Check Dams, lift irrigations etc.)	32	36.53

Impact of our initiatives in Sustainable Livelihood

	Unit	FY 2017-18
Vocational/ Job oriented skill training program	No. of Beneficiaries	3,950
Technical skill training	No. of Beneficiaries	488
Farmers meeting/ Melas	No. of Beneficiaries	22,661
Distribution of agriculture tools, seeds, fertilizer and insecticides	No. of Beneficiaries	5,741
Animal immunization	No. of cattle's	24,493
Self Help Groups Formed	No. of SHGs	1571 SHGs (21,696 members)



Infrastructure Development

We support the community infrastructure development by supporting rural infrastructure such as village approach road, culvert, panchayat bhawan, pond excavation, bathing ghats, bathrooms, protection wall, channel pitching, rural houses, check dams, bus stops etc. This activity is undertaken across Hindalco units.

Expenditure on Infrastructure Development

	Allocated (INR Lakh)	Actual (INR Lakh)
Creating Community Assets (Construction and Repair of Community Infrastructures)	210	291.91



Supporting Social Causes

Yet another aspect of our work includes bringing in a social reform through behavioural changes. We work with communities on issues such as advocacy against child labour, illiteracy, child marriages, the marginalisation and abuse of the girl child and women, alcoholism and poor hygiene among others.

Sports, cultural programmes and celebration of national events are encouraged by us.

In partnership with government district authorities, villages panchayats, other likeminded NGOs and the community, we organised dowry less mass marriage programme at Mahan. Over 2400 marriages solemnised.

We have distributed 6,587 blankets at Renusagar, Singrauli, Muri, Belur, Kathautia & Dumri and 182 cookers at Dumri and Mahan to the needy.

We support residents of orphanages and old age homes at Taloja, Belgavi and Lohardaga.



	Allocated (INR Lakh)	Actual (INR Lakh)
Support to Old age Homes; Orphanages etc.	2	2.43
Social Security - Support to Old age, Widow, physically Challenged Persons/ poor.	33	35.24
Community Awareness programmes	13	19.08
Social Events to minimise causes of poverty	15	17.68
Protection and promotion of heritage / culture /Sports	52	56.66
Institutional building & strengthening, formation of Community of based organisations etc.	22	26.40



Impact Assessment and Review Process

We have a robust project review process. Outcomes of the projects are presented to the top management and subsequently to the CSR committee. The Committee reviews the progress and gives inputs accordingly. Mid-course corrections, if any, are then incorporated.

To measure the impact of the work done, a social audit or an impact assessment study is carried out by a third party on a case-to-case basis. Reputed NGOs, universities and institutions are assigned to conduct the impact assessment study. Recently, Xavier Institute of Social Service (XISS) – Ranchi has completed impact assessment studies at Renukoot, Renuagar, Lohardaga, Muri and Samri. The study at the Belagavi unit was conducted by faculty of social work at Rani Chenamma University.

We have conducted impact assessment of the CSR projects through an external agency (Nabard Consultancy Services Pvt. Ltd.) at Utkal aluminium.

Impacts observed are,

- *The study reveals that almost all the interventions implemented in five development sectors during last three years are relevant to meet area specific needs.*
- *The study reveals that there is significant improvement in literacy rate, income, expenditure pattern, house type, civic amenities etc, which lead to improvement in overall quality of life of people in project area.*
- *The study reveals that there is significant reduction in rate of out migration in search of livelihood by youth of project area.*
- *This reduction is partly due to opening of many earning opportunities in the area after establishment of UAIL, as well development of road and communication to the area.*

Embedding CSR into the work culture

At the unit level, we provide volunteering opportunities to employees for community social projects depending on their skills and areas of interests. We encourage such volunteers and recognize them in forums at the unit level. Engagement of employees in CSR activities is part of our CSR Policy. Employees participate in CSR events, programs, meetings organized in respective areas of interests. We conduct employee surveys to understand the perception of employees on social issues. We encourage employees to participate in the nation-wide 'Joy of Giving Week' initiative, called the 'Daan Utsav Week'.



Awards and Accolades

**In recognition of our CSR work, several accolades were bestowed upon us.
These include:**

Aditya Aluminium

CMO Asia- 7th Best International CSR Practices Awards 2017 for its best practices in Community Development category.

FICCI CSR Award for Women Empowerment category.

4th Annual India CSR Awards on Women Empowerment Project.

KALINGA CSR Award – on Peripheral Development of Lapanga block of Sambalpur district in Odisha.

Belagavi

ET Now- CSR Leadership Award for Best Community Development Projects instituted by National CSR Leadership Congress.

Birla Copper

CMO Asia- 7th Best International CSR Practice Award for Support & Improvement in Quality of Education

NGO BOX- 4th Best CSR practices award for Rural Development & Infrastructure

Jharkhand Mines

World CSR Responsible Business Award for Best Community Programme around Mines

Mahan Aluminium

India CSR Award for Best practices in the field of CSR and Rehabilitation & Resettlement at Green Field Project

FAME Gold Award for Excellence in CSR

PRSI National Award for Best Private Sector Company implementing CSR

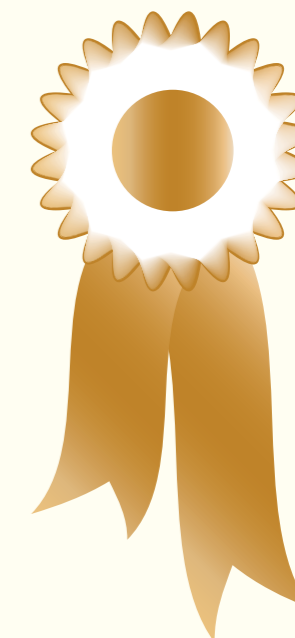
Renukoot

CMO Asia- 7th Best International CSR Practice Award for Poverty Alleviation

Utkal Alumina

CMO Asia- 7th Best International CSR Practices Awards 2017 for Project Samriddhi (Commercial Vegetable Farming).

Computer Literacy Project has been awarded 1st Prize by Odisha Knowledge Corporation Ltd. (OKCL) for consistence performance.



Our laurels also includes:

Corporate Level Awards

★★★★★

Frost & Sullivan Sustainability Awards – Received the Leaders Award in Mega Large Business – Metal Sector

Silver Certificate of Merit by Frost & Sullivan & FICCI Indian Manufacturing Excellence Award 2017

Best Exporter (3rd Position) in North Central Region by Container Corporation of India for moving the highest number of Exim rakes during the year

Aditya Aluminium

★★★★★

CII Safety Award (First Prize) for Eastern Region in the Largescale Category ENVIRONMENT Award

Pollution Control Excellence Award 2017 Industry Category by Odisha State Pollution Control Board

Gare Palma Mines

★★★★★

Mining Innovation Award from the Institute of Mining & Engineering Journal

Hirakud

★★★★★

Fame Excellence Gold Award 2018 for Outstanding Work on Environment Protection

One Gold and one Silver – Regional Quality Circle Convention Three Par Excellence Awards at National Quality Convention 2017

Mahan

★★★★★

India Manufacturing Excellence Awards 2017-18, Silver Certificate for Manufacturing Effectiveness

Muri

★★★★★

Gold Award – Chemicals for Outstanding Achievements in Environment Management by Greentech Foundation

Renukoot

★★★★★

Five Gold Awards – Regional Quality Circle Convention

Two Par Excellence Awards – National-level Convention in 2017

Renusagar

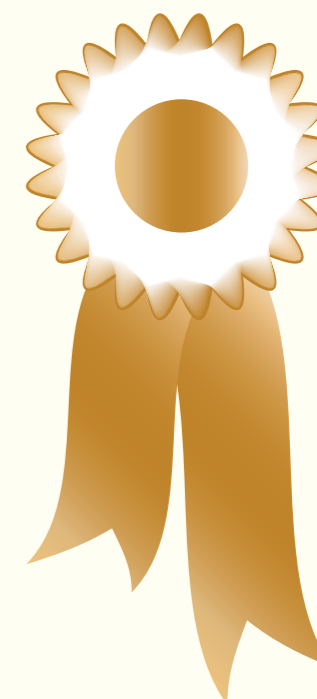
★★★★★

Energy Conservation (Best Achiever) Award presented by BEE, under PAT Cycle-1

Taloja

★★★★★

Manufacturing Competitiveness Award 2016-17 by International Research Institute for Manufacturing



Assurance Statement



Independent Assurance Statement

Scope and Approach

DNV GL represented by DNV GL Business Assurance India Private Limited has been commissioned by the management of Hindalco Industries Limited ('Hindalco' or 'the Company', Corporate Identity Number L27020MH1958PLC011238) to carry out an independent assurance engagement on its Sustainability Report 2017-18 ('the Report'). The Report includes qualitative and quantitative disclosures for identified material topics (sustainability performance) in its printed format and references to the Company's website and Annual Report 2017-18, for the financial year ending 31st March 2018. The sustainability disclosures in this Report have been prepared in line with the key requirements of the 'Comprehensive' option of the Global Reporting Initiative (GRI) Sustainability Reporting Standards 2016 ('GRI Standards').

We performed our verification (Type 2, Moderate level) activities based on AccountAbility's AA1000 Assurance Standard 2008 (AA1000 AS) and DNV GL's assurance methodology VeriSustain™¹. DNV GL's VeriSustain is based on our professional experience and international assurance best practices, and incorporates the principles of AA1000AS, International Standard on Assurance Engagements 3000 (ISAE 3000) Revised* and the GRI Standards. Our assurance engagement was planned and carried out in May 2018 – November 2018.

The intended user of this assurance statement is the Management of Hindalco. We disclaim any liability or responsibility to a third party for decisions, whether investment or otherwise, based on this Assurance Statement.

The scope and boundaries of sustainability performance are as brought out in the Report in the sections 'About the Report' and 'Materiality Assessment' and covers Hindalco's aluminium and copper operations in India. The Report excludes performance of Aditya Birla Minerals Limited (ABML) - a subsidiary in Australia, the Company's non-operational unit at Kollur in India, and Novelis which publishes its own sustainability disclosures.

We planned and performed our work to obtain the evidence we considered necessary to provide a basis for our assurance opinion and the process did not involve engagement with external stakeholders.

Responsibilities of the Management of Hindalco and of the Assurance Providers

The Management of the Company has the sole responsibility for the preparation of the Report and are responsible for all information disclosed in the Report as well as the processes for collecting, analysing and reporting the information presented in the printed and web-based versions of the Report, including the maintenance and integrity of the website. In performing this assurance work, DNV GL's responsibility is to the Management; however, this statement represents our independent opinion and is intended to inform the outcome of the assurance to the stakeholders of the Company. DNV GL was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement.

DNV GL provides a range of other services to Hindalco, none of which in our opinion, constitute a conflict of interest with this assurance work.

DNV GL's assurance engagements are based on the assumption that the data and information provided by the client to us as part of our assurance have been provided in good faith. DNV GL expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Assurance Statement.

¹ The VeriSustain protocol is available on www.dnvg.com

* Assurance Engagements other than Audits or Reviews of Historical Financial Information.



Basis of our Opinion

As part of the assurance a multi-disciplinary team of sustainability and assurance specialists performed work at Hindalco's Corporate Office at Mumbai, and visited sample operations at Hirakud, Lapanga and Rayagada, Odisha and Dahej, Gujarat. We undertook the following activities:

- Review of Hindalco's approach to stakeholder engagement and materiality determination process and the outcomes as reported in this Report. We did not have any direct engagement with external stakeholders;
- Interviews with selected senior managers responsible for management of sustainability issues and review of selected evidence to support issues disclosed in the Report. We were free to choose interviewees and interviewed those with overall responsibility to deliver the Company's sustainability objectives;
- Site visits to sample operations of the Group: (i) Hirakud (ie. smelter, flat-rolled products plant and power plant) (ii) Aditya Aluminium at Lapanga, and (iii) Birla Copper at Dahej - to review processes and systems for preparing site level sustainability data and implementation of sustainability strategy. We were free to choose sites for conducting assessments;
- Review of supporting evidence for key claims and data in the Report;
- Review of the processes for gathering and consolidating the specified performance data related to identified material topics and, for a sample, checking the data consolidation in context to the Principle of Completeness as per VeriSustain.
- An independent assessment of Hindalco's reporting against the GRI Standards and the reporting requirements for the GRI Standards: Comprehensive option of reporting.

During the assurance process, we did not come across limitations to the scope of the agreed assurance engagement except exclusions and omissions identified and brought out by the Company in the Report as not being applicable and where steps are being put in place to completely capture data. The reported data on economic performance, expenditure towards Corporate Social Responsibility (CSR) and other financial data are based on audited financial statements issued by the Company's statutory auditors.

Opinion

On the basis of the verification undertaken, nothing has come to our attention to suggest that the Report does not properly describe Hindalco's application of the GRI Standards: Comprehensive option of reporting including the GRI 102: General Disclosures 2016, GRI 103: Management Approach 2016 and disclosures related to the following GRI Standards which have been chosen and identified as being material by Hindalco, to bring out its sustainability performance:

- GRI 201: Economic Performance 2016 – 201-1, 201-2, 201-3, 201-4;
- GRI 206: Anti-competitive Behaviour 2016 – 206-1;
- GRI 301: Materials 2016 – 301-1, 301-2, 301-3;
- GRI 302: Energy 2016 – 302-1, 302-2, 302-3, 302-4;
- GRI 303: Water 2016 – 303-1, 303-2, 303-3;
- GRI 305: Emissions 2016 – 305-1, 305-2, 305-3, 305-4, 305-5, 305-6, 305-7;
- GRI 306: Effluents and Waste 2016 – 306-1, 306-2, 306-3;
- GRI 307: Environmental Compliance 2016 – 307-1;
- GRI 401: Employment 2016 – 401-1, 401-2, 401-3;
- GRI 402: Labor/Management Relations 2016 – 402-1;
- GRI 403: Occupational Health and Safety 2016 – 403-1, 403-2, 403-3, 403-4;
- GRI 416: Customer Health and Safety 2016 – 416-1, 416-2;
- GRI 417: Marketing and Labelling 2016 – 417-1, 417-2, 417-3;
- GRI 419: Socioeconomic Compliance 2016 – 419-1.



Observations

Without affecting our assurance opinion, we provide the following observations evaluating the Report's adherence to the AA1000AS principles:

Materiality

The process of determining the issues that is most relevant to an organization and its stakeholders.

Hindalco has captured and evaluated issues based on relevance to its significant stakeholders, through questionnaires and also based inputs from ongoing stakeholder engagement processes. The issues are then prioritized and evaluated by the senior management based on business strategy and the macro-economic scenario. Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Materiality.

Inclusivity

The participation of stakeholders in developing and achieving an accountable and strategic response to Sustainability.

The Company identifies customers, employees, suppliers, society, investors, media, statutory bodies and industry associations to be its significant stakeholders. The Board of Directors, Sustainability Committee and senior management monitors and reviews significant issues and concerns raised by stakeholder groups at different levels of governance and considers the same in evaluation of the Company's strategies, and this is adequately addressed in the Report. Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Stakeholder Inclusiveness.

Responsiveness

The extent to which an organization responds to stakeholder issues.

The Report brings out Hindalco's processes for monitoring and evaluating key concerns, expectations and issues raised by its key stakeholders. The Report brings out the processes, strategies, management approaches and governance mechanisms through which the Company responds to key issues and concerns raised by stakeholders. Nothing has come to our attention to suggest that the responses related to identified material topics are not adequately represented in the Report, however future reports may bring out the Company's performance against short, medium and long term targets linked to identified material topics.

Reliability

The accuracy and comparability of information presented in the report, as well as the quality of underlying data management systems.

The majority of data and information verified at Corporate Office and at sample operational sites visited by us were found to be fairly accurate and reliable. Hindalco has committed to implementing appropriate tools for sustainability data management including developing processes for internal reviews and validation to further strengthen the reliability of its sustainability data reporting. Nothing has come to our attention to suggest that the sample data and information verified as part of assurance is not reliable, that the assumptions used were inappropriate, nor that the Report does not meet the requirements related to the Principle of Reliability.

Specific Evaluation of the Information on Sustainability Performance

We consider the methodology and the process for gathering information developed by Hindalco for its sustainability performance reporting to be appropriate. The qualitative and quantitative data included in the Report were found to be identifiable and traceable; the personnel responsible were able to demonstrate the origin and interpretation of the data and its reliability. We observed that the Report presents a faithful description of the disclosures on sustainability performance for the reporting period.



Additional principles as per DNV GL VeriSustain

Completeness

How much of all the information that has been identified as material to the organisation and its stakeholders is reported?


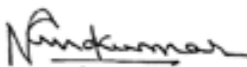
The Report generally meets the Principle of Completeness with respect to scope, boundary and time, and addresses Hindalco's economic, environmental and social performance through selected GRI Standards corresponding to material topics it has identified. The Company may progressively extend its reporting boundaries to include relevant impacts and performances data from all entities included in its financial statement. Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Completeness.

Neutrality

The extent to which a report provides a balanced account of an organization's performance, delivered in a neutral tone.

The disclosures related to sustainability performance and issues are presented in a neutral tone, in terms of content and presentation, along with key concerns and challenges faced during the period. Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Neutrality.

For DNV GL

 Kiran Radhakrishnan Lead verifier - Sustainability Services DNV GL Business Assurance India Private Limited, India.	 Vadakepath Nandkumar Assurance Reviewer Head - Regional Sustainability Operations DNV GL Business Assurance India Private Limited, India.
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29th November 2018, Bengaluru, India.



DNV GL Business Assurance India Private Limited is part of DNV GL - Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. www.dnvgl.com

GRI Content Index

Hindalco has adopted the GRI Standards which are the first global standards for sustainability reporting. The GRI Content index for “In Accordance” Comprehensive Option depicts the linkages of the content in the sustainability report for FY 2017-18 with the GRI Standards Disclosure.

Disclosure No.	Disclosure Title	Page Number(s)	Omissions
General disclosures			
102-1	Name of the organization	5	-
102-2	Activities, brands, products and services	6,8	-
102-3	Location of headquarters	8	-
102-4	Location of operations	8, 9, 10	-
102-6	Markets served	8,10	-
102-7	Scale of the organization	26, 52	-
102-8	Information on employees and other workers	52	-
102-9	Supply chain	45	-
102-10	Significant changes to the organization and its supply chain	47	-
102-11	Precautionary Principle or approach	26	-
102-12	External initiatives	8	-
102-13	Membership of associations	8	-
102-14	Statement from senior decision-maker	6	-
102-15	Key impacts, risks, and opportunities	17, 26	-
102-16	Values, principles, standards and norms of behavior	8, 14,16	-
102-17	Mechanisms for advice and concerns about ethics	16	-
102-18	Governance structure	14,15	-
102-19	Delegating authority	15	-
102-20	Executive-level responsibility for economic, environmental and social topics	15	-

Disclosure No.	Disclosure Title	Page Number(s)	Omissions
102-21	Consulting stakeholders on economic, environmental and social topics	20	-
102-22	Composition of the highest governance body and its committees	14	-
102-23	Chair of the highest governance body	14	-
102-24	Nominating and selecting the highest governance body	14	-
102-25	Conflicts of interest	16	-
102-27	Collective knowledge of highest governance body	15	-
102-28	Evaluating the highest governance body's performance	14	-
102-29	Identifying and managing economic, environmental, and social impacts	20	-
102-30	Effectiveness of risk management process	17	-
102-31	Review of economic, environmental and social topics	20	-
102-32	Highest governance body's role in sustainability reporting	20	-
102-33	Communicating critical concerns	15	-
102-35	Remuneration policies	14	-
102-36	Process for determining remuneration	14	-
102-37	Stakeholders involvement in remuneration	14	-
102-40	List of stakeholder groups	20	-
102-41	Collective bargaining agreements	53	-
102-42	Identifying and selecting stakeholders	20	-
102-43	Approach to stakeholder engagement	20	-
102-44	Key topics and concerns raised	21	-
102-45	Entities included in the consolidated financial statements	5	-
102-47	List of material topics	21	-
102-50	Reporting period	5	-

Disclosure No.	Disclosure Title	Page Number(s)	Omissions
102-51	Date of most recent report	5	-
102-52	Reporting cycle	5	-
102-53	Contact point for questions regarding the report	5	-
102-54	Claims of reporting in accordance with the GRI Standards	5	-
102-55	GRI content index	66	-
102-56	External assurance	5, 64	-
Economic			
Management Approach			
103-1	Explanation of the material topic and its Boundary	26	-
103-2	The management approach and its components	26	-
103-3	Evaluation of the management approach	26	-
Economic Performance			
201-1	Direct economic value generated and distributed	27	-
201-2	Financial implications and other risks and opportunities due to climate change	26	-
201-3	Defined benefit plan obligations and other retirement plans	28	-
201-4	Financial assistance received from government	27	-
Anti- Competitive Behaviour			
206-1	Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	16	-
Environmental			
Management Approach			
103-1	Explanation of the material topic and its Boundary	35	-
103-2	The management approach and its components	35	-
103-3	Evaluation of the management approach	35	-

Disclosure No.	Disclosure Title	Page Number(s)	Omissions
Materials			
301-1	Materials used by weight or volume	35	-
301-2	Recycled input materials used	35	-
301-3	Reclaimed products and their packaging materials	35	-
Energy			
302-1	Energy consumption within the organization	36	-
302-2	Energy consumption outside of the organization	36	-
302-3	Energy intensity	34	-
302-4	Reduction of energy consumption	36	-
302-5	Reductions in energy requirements of products and services	30	The mechanism for consolidating the data for reduction in energy requirements of products and services is in the process of being established and will be made available in the future.
Water			
303-1	Water withdrawal by source	38	-
303-2	Water sources significantly affected by withdrawal of water	38	-
303-3	Water recycled and reused	38	-
Emissions			
305-1	Direct (Scope 1) GHG emissions	36	-
305-2	Energy indirect (Scope 2) GHG emissions	36	-
305-3	Other indirect (Scope 3) GHG emissions	36	-
305-4	GHG emissions intensity	34	-
305-5	Reduction of GHG emissions	36	-
305-6	Emissions of ozone-depleting substances (ODS)	36	-
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX) and other significant air emissions	37	-

Disclosure No.	Disclosure Title	Page Number(s)	Omissions
Effluents and waste			
306-1	Water discharge by quality and destination	38	-
306-2	Waste by type and disposal method	39	-
306-3	Significant spills	39	-
Environmental Compliance			
307-1	Non-compliance with environmental laws and regulations	34	-
308-1	New suppliers that were screened using environmental criteria	46	-
Social			
Management Approach			
103-1	Explanation of the material topic and its Boundary	52	-
103-2	The management approach and its components	52	-
103-3	Evaluation of the management approach	52	-
Employment			
401-1	New employee hires and employee turnover	52	-
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	53	-
401-3	Parental leave	52	-
Labor / Management Relations			
402-1	Minimum notice periods regarding operational changes	53	-
Management Approach			
103-1	Explanation of the material topic and its Boundary	49	-
103-2	The management approach and its components	49	-
103-3	Evaluation of the management approach	49	-

Disclosure No.	Disclosure Title	Page Number(s)	Omissions
Occupational Health and Safety			
403-1	Workers representation in formal joint management-worker health and safety committees	49	-
403-2	Types of injury and rates of injury, occupational diseases, lost days and absenteeism and number of work related fatalities	49	Information unavailable: The mechanism for consolidating the data for absenteeism is in the process of being established and will be made available in the future.
403-3	Workers with high incidence or high risk of diseases related to their occupation	50	-
403-4	Health and safety topics covered in formal agreement with trade unions	50	-
Training and Education			
404-1	Average hours of training per year per employee	54	-
404-2	Programs for upgrading employee skills and transition assistance programs	54	-
Supplier Social Assessment			
414-1	New Suppliers that were screened using social criteria	46	-
Customer health and Safety			
416-1	Assessment of the health and safety impacts of product and service categories	30	-
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	30	-
Marketing and Labelling			
417-1	Requirements for product and service information and labelling	30	-
417-2	Incidents of non-compliance concerning product and service information and labelling	30	-
417-3	Incidents of non-compliance concerning marketing communications	30	-
Customer Privacy			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	26	-
Socioeconomic Compliance			
419-1	Non-compliance with laws and regulations in the social and economic area	26	-

Business Responsibility Reporting Mapping

As per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular dated 4th November, 2015 issued by Securities and Exchange Board of India, those listed entities which have been submitting sustainability reports to overseas regulatory agencies/ stakeholders based on internationally accepted reporting frameworks need not prepare a separate report for the purpose of the National Voluntary Guidelines on Social, Environmental and Economic Responsibility of Business,

but only furnish the same to their stakeholders along with the details of the framework under which their Business Responsibility Report has been prepared and a mapping of the principles contained in the aforesaid guidelines to the disclosures made in their sustainability reports.

Hindalco has been publishing its Sustainability Report since FY11 on Global Reporting Initiative (GRI) Framework. The report for 2017-18 themed as “Create, Conserve, Enhance,

Repeat” prepared as per GRI Standards “In accordance - Comprehensive” assured by an external independent assessing agency. This year’s report too (Sustainability Report for FY 2017- 18) has been published and hosted on our website www.hindalco.com.

Any shareholder interested in obtaining a physical copy of the same may write to the Company Secretary at the Registered Office of the company.

Section A: General Information about the company

1	Corporate Identity Number (CIN) of the company	L27020MH1958PLC011238	
2	Name of the Company	Hindalco Industries Limited	
3	Registered address	Ahura Centre, 1st Floor, B Wing, 82, Mahakali Caves Road, Andheri (East), Mumbai-400093	
4	Website	www.hindalco.com	
5	E-mail id	anil.malik@adityabirla.com	
6	Financial Year reported	1st April, 2017 to 31st March, 2018	
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	ITC Code	Product Description
		7601	Aluminium Ingots
		7606	Aluminium Rolled Products
		7605	Aluminium Redraw Rods
		740311	Copper Cathodes
		740710	Continuous Cast Copper Rods
8	List three key products/ services that the Company manufactures/provides (as in balance sheet) :	i) Aluminium Ingots / Rolled Products ii) Copper Cathodes iii) Concast Copper Rods	

9	Total number of locations where business activity is undertaken by the Company	i. 5 major International Locations			
		<ul style="list-style-type: none"> • USA • Germany • United Kingdom • Brazil • South Korea 			
10	Markets served by the Company	ii. Number of National Locations:			
		<ul style="list-style-type: none"> • 4 Aluminium; • 1 Copper Unit • 4 Chemical Units (including one unit of Utkal Alumina International Limited, wholly owned subsidiary of the Company) • 4 Power Units • 5 Rolled FRP • 2 Extrusions • 2 Foil • Registered Office and Zonal Marketing Offices • Bauxite and Coal Mines in the state of Jharkhand, Chhattisgarh, Maharashtra and Orissa. 			
		Local	State	National	International
		√	√	√	√

Section B: Financial Details of the company (Standalone)

1	Paid-up Capital (INR)	222.89 Crore
2	Total Turnover (INR)	43,434.93 Crore
3	Total Profits after taxes (INR)	1436.49 Crore
4	Total Spending on Corporate	The Company's total spending on CSR was 31.09 crore which is 2.33% of the average net profit for the previous three financial years.
5	Social Responsibility (CSR) as percentage of profit after tax (%) List of activities in which expenditure in 4 above has been incurred	a. Education b. Health Care c. Women empowerment d. Sustainable Livelihood e. Infrastructure Development

Section C: Other Details

1. Does the Company have any Subsidiary Company/Companies?

Yes, as on 31st March, 2018, the Company has 50 (fifty) subsidiaries – 13 (thirteen) domestic and 37 (thirty seven) foreign.

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s):

Hindalco's Sustainability Report covers the India Operations including Mines. Further, Novelis Inc., also publishes Sustainability Report based of Global Reporting Initiative (GRI) framework.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities?

At present, suppliers and distributors with whom the Company does business, do not participate in the Business Responsibility initiatives of the Company directly.

1. Details of Director/Directors responsible for BR:

a) Details of the Director/Directors responsible for implementation of the BR policy/policies:

DIN Number	01055000
Name	Mr. Y. P. Dandiwala
Designation	Independent Director

b) Details of the BR head:

Sr. No	Particulars	Details
1	DIN Number (If Applicable)	N.A.
2	Name	Mr. Anil Malik
3	Designation	President & Company Secretary
4	Telephone Number	022-66626666
5	Email ID	anil.malik@adityabirla.com

Linkage of Policies of Hindalco with BRR Principles as per National Voluntary Guidelines (NVG) on Social, Environmental & Economic Responsibilities:

Principle No	NVG Principles	Section	
1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.	<ul style="list-style-type: none"> • Message from Managing Director • About Hindalco • Corporate Governance 	<ul style="list-style-type: none"> • Page No 6 • Page No 7 • Page No 12
2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.	<ul style="list-style-type: none"> • Risk Management Framework • Sustainability framework 	<ul style="list-style-type: none"> • Page No 17 • Page No 18
3	Businesses should promote the Well-being of all employees.	<ul style="list-style-type: none"> • Stakeholders engagement and Materiality Analysis • Health and Safety 	<ul style="list-style-type: none"> • Page No 20 • Page No 48 • Page No 51
4	Businesses should respect the Interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.	<ul style="list-style-type: none"> • Stakeholders engagement and Materiality Analysis • Responsible Mining • Employee Stewardship • Community Stewardship 	<ul style="list-style-type: none"> • Page No 20 • Page No 41 • Page No 51 • Page No 55
5	Businesses should respect and Promote human rights.	<ul style="list-style-type: none"> • Employee Stewardship 	<ul style="list-style-type: none"> • Page No 51
6	Businesses should respect, protect and make efforts to restore the environment.	<ul style="list-style-type: none"> • Sustainability Framework • Product Stewardship • Environmental Stewardship • Responsible Mining • Supply Chain Management 	<ul style="list-style-type: none"> • Page No 51 • Page No 18 • Page No 29 • Page No 33 • Page No 41 • Page No 44
7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.	<ul style="list-style-type: none"> • Sustainability Framework • Product Stewardship • Environmental Stewardship • Responsible Mining • Employee Stewardship • Community Stewardship 	<ul style="list-style-type: none"> • Page No 18 • Page No 29 • Page No 33 • Page No 41 • Page No 51 • Page No 55
8	Businesses should support inclusive growth and equitable development.	<ul style="list-style-type: none"> • Corporate Governance • Economic Stewardship • Community Stewardship 	<ul style="list-style-type: none"> • Page No 12 • Page No 25 • Page No 55
9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.	<ul style="list-style-type: none"> • Sustainability Framework • Stakeholders engagement and Materiality Analysis • Product Stewardship • Responsible Mining • Supply Chain Management 	<ul style="list-style-type: none"> • Page No 18 • Page No 20 • Page No 29 • Page No 41 • Page No 44



UNGC Principles Mapping

Sr. No	UNGC Principle	Report Section/s	Page no.	Comments
Human Rights				
1	Business should support and respect the protection of internationally proclaimed human rights	Supply Chain Management	45, 46	
2	Business should make sure that they are not complicit in human rights abuses	Employee Stewardship	53	
Labour				
3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	Employee Stewardship	53	
4	Business should eliminate all forms of forced and compulsory labour	Corporate Governance, Supply Chain Management	16, 45	
5	Business should effectively abolish child labour	Employee Stewardship, Community Stewardship	53, 60	
6	Business should eliminate discrimination in respect of employment and occupation	Corporate Governance, Employee Stewardship	16, 53	
Environment				
7	Business should support a precautionary approach to environmental challenges	Economic Stewardship,	26	
8	Business should undertake initiatives to promote greater environmental responsibility	Product Stewardship, Environmental Stewardship, Responsible Mining, Supply Chain Management,	30, 34, 42, 45	
9	Business should encourage the development and diffusion of environmentally friendly technologies	Stakeholder engagement and Materiality analysis, Product Stewardship, Environmental Stewardship, Employee Stewardship	21,	
Anti-corruption				
10	Business should work against corruption in all its forms, including extortion and bribery	Supply Chain Management	45	

Our Contribution to SDGs

SDG	Key Initiatives
	<ul style="list-style-type: none"> • Sustainable Livelihood & Infrastructure Development. • Engagement at more that 726 villages & 39 urban slums.
	<ul style="list-style-type: none"> • Supporting agricultural and horticultural activities to help farmers to reap a better harvest. • Farmer training programmes
	<ul style="list-style-type: none"> • Preventive Health Care: Immunization, Pulse Polio Program. • Curative Health Care Program: Specialized health camps, eye camps. • Reproductive and Child Health: mother and child care, adolescent health care. • Quality/ Support Program: treatment of BPL, old age and needy, support to differently abled. • Health Infrastructure: renovation of health centers and issues related to water and sanitation.
	<ul style="list-style-type: none"> • Gyanodya E-learning Portal. • Hindalco Technical University. • Preschool Education: Balwadies, play schools, crèches. • School Education Program: Enrolment awareness programmes, events, formal schools. • Education Support Program: library. • Vocational & Technical Education: focus on strengthening Industrial Training Institutes (ITIs). • School Infrastructure: New School Building Construction.
	<ul style="list-style-type: none"> • HR 2020 Business objectives. • Working ambience
	<ul style="list-style-type: none"> • Achieved implementation of ZLDs at 10 Sites. • Rainwater Harvesting. • Renovation of health centers and issues related to water and sanitation • WASH Implementation at all workplaces

SDG	Key Initiatives
	<ul style="list-style-type: none"> • Developed and monitoring of KPIs at Plant and Company level • Training for employees to be Energy Auditors and Energy Managers. • Achieved PAT targets.
	<ul style="list-style-type: none"> • Implementation of Online H&S Data Management through Enablon. • Occupational Health Awareness
	<ul style="list-style-type: none"> • A new CCR-3 Commissioned at Dahej. • Collaboration with Think tanks and institutions. • Accredited R&D centers at Belgavi and Taloja. • Use of Surface Miners. • Use of Ripper Dozer
	<ul style="list-style-type: none"> • Supporting agricultural and horticultural activities to help farmers to reap a better harvest. • Quality/ Support Program: treatment of BPL, old age and needy, support to differently abled.
	<ul style="list-style-type: none"> • Infrastructure development in rural areas.
	<ul style="list-style-type: none"> • Conducted LCA for various products • Health and Safety impact assessment of 5% of products. • Use of recycled materials • Warehouse consolidation to reduce average distance travelled by materials transported. • Transfer from road to rails wherever possible.

SDG	Key Initiatives
	<ul style="list-style-type: none"> • 1 MW Solar Power Plant at Alupuram • Actions for 30 MW Solar Power Plant is initiated. • Restoring Ecosystems. • Conservation of Minerals. • Supplier Risk Assessment.
	<ul style="list-style-type: none"> • Value from Waste Initiatives • Green Belt Development Program. • Increasing the green cover, reduction in topsoil and effective water management. • Initiatives for reduction in Dust Pollution. • Preserving the Seed Bank by local plantation.

Glossary

ABG	Aditya Birla Group
ABML	Aditya Birla Minerals Limited
ABSTC	Aditya Birla Science and Technology Company
BEE	Bureau of Energy Efficiency
BRR	Business Responsibility Report
CCR	Cast Rod Plant
CCT	Complaint Closer Time
CHRO	Chief Human Resources Officer
CoC	Code of Conduct
CRM	Customer Relationship Management
CSMM	Customer Satisfaction Measurement and Management
CSR	Corporate Social Responsibility
CuCB	Cu-inser Collector Bar
DAP	Diammonium Phosphate
DISR	Department of Scientific & Industrial Research
DMCs	Dough Moulding Compounds
EBITDA	Earnings Before Interest, Tax, Depreciation and Ammortization
EHS	Environment, Health and Safety
ERM	Enterprise Risk Management
ESC	Enterprise Social Commitment
ESPs	Electrostatic Precipitator
ETP	Effluent Treatment Plant
FIMI	Federation of Indian Minerals Industries
FRP	Flat Rolled Products
FY	Financial Year
GHG	Green House Gas
GPS	Global Positioning Systems
GRI	Global Reporting Initiative

H&S	Health and Safety
HAZOP	Hazard and Operability Study
HMF	Hindalco Management Framework
HT	High Tension
HTU	Hindalco Technical Univeristy
ICC	Internal Complaint Committee
IITs	Indian Institute of Technology
IMMT	Institute of Minerals and Materials Technology
IPCC	Intergovernmental Panel on Climate Change
ITI	Industiral Training Insititute
JNARDDC	Jawaharlal Nehru Aluminium Research Developmentand Design Centre
JSA	Job Safety Analysis
KDM	Key Delivery Message
KPIs	Key Performance Indicators
KRAs	Key Responsibility Areas
KTPA	Kilo tonne per Annum
LCA	Life Cycle Assessment
LME	London Metal Exchange
LTIFR	Lost Time Injury Frequency Rate
LTISR	Lost Time Injury Severity Rate
MD	Managing Director
MMT	Million Metric Tonne
MS	Mild Steel
NABL	National Accrediation Board for Testing and Calibration Laboratories
NGOs	Non Governmental Organizations
Nox	Nitrogen Dioxides
NPS	National Pension Scheme
NPS	Net Promoter Score
NVGSEE	National Voluntary Guidelines on Social, Environmental and Economic
ODS	Ozone Depleting Substances

OFC	Oxy Free Copper
OTIF	On Time In Full
PAT	Perform, Achieve and Trade
PM	Particulate Matter
POSH	Prevention on Sexual Harassment
QIEA	Qualitative Exposure Assessments
QnEA	Quantitative Exposure Assessments
R&D	Research and Development
RFID	Radio Frequency ID
SAQs	Self- Assesment Questionnaire
SEBI	Securites Exchange Board of India
SMCs	Sheet Moulding Compounds
SMPs	Standrad Maintenance Practices
SOP	Standard Operating Processes
Sox	Sulphur Dioxides
SPCBs	State Pollution Control Boards
SPM	Suspended Particulate Matter
SSAT	Stepped Stub Anode Technology
STP	Sewage Treatment Plant
TNI	Training Need Identification
TS	Technical Standards
UN SDGs	United Nations Sustainable Development Goals
UNDP	United Nations Development Program
VFD	Variable Frequency Drive
VSC	Value Standard Committee
WASH	Water, Sanitation and Hygine
WBCSD	World Business Council for Sustainable Development
WRI	World Resources Institute
XISS	Xavier Institute of Social Sciences
ZLD	Zero Liquid Discharge

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